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ECONOMIC BULLETIN FOR EUROPE

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SYMBOLS EMPLOYED

The following symbols have been used throughout this *Bulletin*:

- ... = not available or not pertinent.
- = nil or negligible.
- * = estimate by the secretariat of the Economic Commission for Europe.
- = revised figure.

In referring to combinations of years, the use of an oblique stroke—*e.g.*, 1955/56—signifies a 12-month period (say from 1 July 1955 to 30 June 1956). The use of a hyphen—*e.g.*, 1954-1956—signifies an average of the full period of calendar years covered (including the end years indicated).

Unless otherwise indicated, the standard unit of weight used throughout is the metric ton. The definition of "billion" used throughout is one thousand millions. Minor discrepancies in totals and percentages are due to rounding.

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ECONOMIC BULLETIN FOR EUROPE

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UNITED NATIONS

CURRENT ECONOMIC DEVELOPMENTS IN EUROPE

1. TRENDS IN EMPLOYMENT AND OUTPUT IN WESTERN EUROPE

During the first half of 1957, employment and industrial production in western Europe continued to grow, though the rate of expansion appears to have continued the decline already noticeable in the course of 1956. The first quarter of the year, when the exceptionally good weather favoured an early start to building and construction activity and an increase in production in related industries, forms an only apparent exception to the gradual slowing down in the rate of expansion.

However, within this general picture, there are rather wide disparities between individual countries. On the basis of conditions in the labour market, the countries for which adequate information is available may be divided into two broad groups: those in which unemployment in the second quarter was below the level of a year earlier, and those in which unemployment exceeded the levels — mostly quite low — of the second quarter of last year.

To the first group of countries, with reduced unemployment levels, belong Austria, Belgium, France, western Germany, Italy and Switzerland and, though the data are less complete, probably Yugoslavia also. In the second group of countries, with unemployment above the levels of a year ago, are Denmark, Finland, the Netherlands, Norway, Sweden and, the United Kingdom.¹ Much the same classification of these countries could be made on the basis of the growth in industrial production or the change in total man-hours worked in industry (Tables 1 and 2). However, in Belgium, where the size of the active population has hardly increased in recent years, the decline in

unemployment from 1956 to 1957 was accompanied by only a slow rise in production and employment. In western Germany, a major part of the decline in unemployment is accounted for by the shortening of the working week. Whereas the number of workers employed in industry in April-May was some 3 per cent above the level of the same period of 1956, total man-hours worked had increased by only 1 per cent. Industrial output, however, was up by about 5 per cent.

To a considerable extent, the immediate explanation of the different trends in the labour markets of the countries of western Europe is to be found in the different course of exports. Thus, the value of exports from Denmark, the Netherlands, Norway and the United Kingdom, where unemployment has risen, increased relatively less from the first part of 1956 to the first part of 1957 than did the exports of Austria, France, western Germany, Italy and Switzerland, where unemployment has dropped. A number of exceptions should, however, be noted. In the case of Finland, the comparison with 1956 is vitiated both by the extensive strikes early in that year and by the exceptionally mild weather of the past winter. Though French exports rose appreciably in the first half of this year, the expansion of the French economy is — as the concomitant payments difficulties of that country bear witness — mainly of domestic origin. In Sweden, the weakening of the labour market has taken place in spite of a strong rise in exports, largely because of the restrictive credit policies pursued.

Developments in the foreign trade field, and in particular the course of exports, have affected economic activity not only in the obvious way, by directly influencing the flow of domestic incomes, but also by

¹ In the United Kingdom, the labour market has, however, recently tightened.

TABLE 1
Industrial output by sectors in western Europe
Index numbers, seasonally adjusted
1953 = 100

Country	1954	1955	1956	1955	1956				1957	
				Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter ^a
<i>Total industrial production</i>										
Austria ^b	115	133	138	136	138	137	138	139	144	149
Belgium	106	116	122	120	120	125	122	122	127	127
Denmark	106	112	111	113	109	106 ^c	111	118	119	115
Finland	114	127	130	125	109 ^c	138	143	133	142	134
France	111	121	134	123 *	124	133	131 ^d	137	139	145
Western Germany	112	129	139	135	134	140	141	140	145	147
Italy	109	118	128	119	121	126	133	130	133	135
Netherlands	110	118	124	122	120	125	123	127	130	127
Norway	109	117	122	120	120	122	121	127	125	126
Sweden	105	111	114	113	112	113	113	119	118	117
United Kingdom	108	114	113	117	114	113	112	113	113	116
Yugoslavia ^e	115	134	147	148	124	142	151	171	151	165
Total of countries listed	109	120	125	123	122	126	126	127	129	131
<i>Metal-using industries</i>										
Austria	118	156	156	164	160	158	155	152	143	167
Belgium	107	125	135	132	132	140	132	134	143	140
Denmark	118	122	118	121	117	113 ^c	119	123	124	121
Finland	114	126	126	131	108 ^c	131	135	133	137	129
France	114	126	141	127 *	131	140	139 ^d	148	147	151 *
Western Germany	118	146	159	156	155	160	160	159	162	168
Italy	105	118	130	119	126	134	132	126	137	137
Netherlands	120	134	140	138	139	147	133	144	147	141
Norway	108	121	124	124	118	124	125	127	122	122
Sweden ^f	103	109	113	112	112	113	107	117	116	117
United Kingdom	110	121	117	125	120	116	115	115	115	..
Yugoslavia ^e	109	127	135	148	113	135	131	161	136	153
Total of countries listed	112	128	133	132	131	133	131	133	135	..
<i>Textile industries</i>										
Total of countries listed	105	106	111	107	108	113	112	112	119	122 *
<i>Chemical industries</i>										
Total of countries listed	115	128	138	131	130	137	141	143	144	..

Sources and methods: Data derived from national statistics have been experimentally adjusted for seasonal fluctuations by the secretariat of the Economic Commission for Europe. The adjusted series should at best be regarded as an indication of prevailing trends.

NOTE.—Total industrial production includes mining, manufacturing and public utilities but excludes building and construction.

^a Generally two months.

motivating economic policies designed to counter the deteriorations in balance-of-payments positions. As is described in more detail in Section 2 below, western Germany is the only western European country that has appreciably strengthened its balance of payments, whereas a number of other countries have suffered losses of reserves — losses which find their counterpart not only in the western German payments surplus, but also in the growing surplus of the United States.

^b Including U.S.I.A. firms from 1955 onwards.

^c Figures affected by strikes.

^d Not adjusted for effects of additional holidays granted for the first time during this period.

^e Unadjusted for seasonal fluctuations. The series for metal-using industries exclude electrotechnical construction.

^f Based on hours worked in metal industries.

Apart from France and Denmark — whose recent policy measures are dealt with in Section 2 below — no country has taken major policy steps since those reported in the *Bulletin* for May.² There has, however, been a pronounced tendency towards a general

² In Finland, the government stabilization programme was not adopted (see *Economic Bulletin for Europe*, Vol. 9, No. 1); nor have any extensive steps so far been taken to counter the increasing inflationary tendencies in Spain.

TABLE 2
Employment and hours worked in industry
Index numbers, corresponding period of previous year = 100

	1955	1956				1957	
		First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter
		108	106	105	104	103	102
Austria	Employment	108	106	105	104	103	102 ^b
	Working week	102	101	98	100	101	103
	Total man-hours worked	110	106	103	103	104	105
Belgium	Employment	102	102	104	103	103	..
Denmark	Total man-hours worked	99	93	93	98	101	106
Finland ^c	Employment	103	104	103	103	101	99
	Working week	100	100	101	100	100	98
	Total man-hours worked	103	104	104	103	101	98
France ^c	Employment	101	101	101	101	102	103
	Working week	100	101	102	102	102	101
	Total man-hours worked	101	102	103	103	103	104
Western Germany	Employment	109	109	108	106	104	104
	Working week	100	100	99	97	95	95
	Total man-hours worked	109	109	107	102	99	99
Italy	Employment	101	101	102	102	103	102 ^d
	Working week	99	98	98	99	99	105 ^d
	Total man-hours worked	100	99	100	101	102	107 ^d
Netherlands	Employment	103	102	102	102	101	102
Norway	Employment	102	101	101	100	100	101
Sweden	Employment	102	101	101	101	100	99
Switzerland	Employment	104	104	105	104	104	105
	Working week	100	100	100	100	100	100
	Total man-hours worked	104	104	105	104	104	105
United Kingdom	Employment	103	102	100	100	99	98
	Working week ^e	100	— 99 —	— 99 —	— 99 —	..	..
	Total man-hours worked	103	101	100	99	98	98 ^b

Sources : National statistics.

NOTE.—The working week refers to actual number of hours worked or paid per week per worker, as opposed to the normal or legal working week. Man-hours worked are either obtained by multiplying index numbers of employment with those of the working week or derived from aggregate man-hour statistics, as in the case of Denmark, western Germany and Italy.

^a April.

^b April-May.

^c Figures for 1956 and 1957 refer to the beginning of the quarter indicated.

^d January-February.

^e April and October.

TABLE 3
Long-term interest rates^a

Country	1955	1956	1957			
	January	January	January	April	May	June
Belgium	4.18	4.18	4.47	4.55	4.58	4.60
Denmark	5.45	5.60	5.79	5.79	5.79	5.76
France	5.32	5.24	5.62	5.79	5.91	..
Western Germany	4.83	4.6	5.5	5.7	5.7	..
Italy	6.02	6.29	6.72	6.79	..	..
Netherlands	3.26	3.39	4.38	4.33	4.38	4.38
Norway	2.74	3.16	3.20	3.11	3.10	3.09
Portugal	3.24	2.96	3.04	3.02	3.08	..
Sweden	3.35	3.68	4.06	4.14	4.16	..
Switzerland	2.70	2.96	3.22	3.53	3.70	3.79
Turkey	4.63	4.63	4.62	..	..	..
United Kingdom	3.83	4.53	4.60	4.68	4.83	4.94

Source : International Financial Statistics, International Monetary Fund. The figures apply to Government Bond Yields, except for western Germany, for which they relate to Mortgage Bond Yields.

tightening of credit — accompanied by a growing scepticism concerning the usefulness of monetary policy both as a device for dealing with wage inflation, and as a means of rectifying balance-of-payments deficits.

Since the rise of the French bank rate reported in the May *Bulletin*, quite an outbreak of bank-rate increases has taken place: the Swiss rate rose from $1\frac{1}{2}$ to $2\frac{1}{2}$ per cent in May, and in July rates were increased from 4 to 5 per cent in Sweden, from $3\frac{3}{4}$ to $4\frac{1}{4}$ per cent in the Netherlands, from $4\frac{1}{2}$ to 5 per cent in Spain, from $3\frac{1}{2}$ to $4\frac{1}{2}$ per cent in Belgium, and more recently again in France and the Netherlands to 5 per cent. Though the importance of the increases may in some cases be symbolic rather than real, they may in general be taken as an indication of increased pressure exerted by the monetary authorities towards the rest of the banking system to institute or tighten the rationing of short-term credit. Such pressure may

also, of course, be exercised through the rationing of central bank credit without any simultaneous rise in official rates, as has been the case in Finland.

The most significant indicator available of the increasing scarcity of credit in western Europe is the rise in long-term interest rates. As Table 3 shows, the rise in rates above the levels of a year ago is almost universal. One rather surprising fact appears from the

table: western Germany is among the countries where long-term rates have increased the most. Since western Germany has for a prolonged period enjoyed heavy balance-of-payments surpluses, falling rates on the capital market would normally be expected. The steady increase in the international liquidity of the western German economy, is, in fact, reflected in an increase in domestic liquidity — restricted, however,

TABLE 4
Indicators of building activity in certain western European countries
Percentage increase over corresponding period of previous year

		Dwellings				Industrial building							
		1956				1957		1956					
		First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	April-May	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	April-May
Belgium	Authorizations . .	— +2 —				-8	..	+14 ^a	+7 ^a	+8 ^a	+3 ^a	-9 ^a	..
	Completions . .	-7	-5	-6	+1	+39	..	-3 ^a	+10 ^a	+9 ^a	+3 ^a	+69 ^a	..
Denmark^b	Authorizations . .	+116	+53	-3	-15	-19	-26	..	..	..	..	..	..
	Starts	+50	+55	+40	-9	+45	-10	+20	-22	+4	+14	..	..
	Completions . .	-21	-14	-38	-13	+42	+16	-26	+18	-20	+27	..	..
Finland	Authorizations . .	-16	-20	-4	-15	-2	..	-39	-20	+4	+15	+26	..
	Completions . .	+9	+1	-8	-15	+1	..	+44	+120	+56	+38	-8	..
France	Authorizations . .	+39	+27	+23	+3	5	..	..	..	..	..	..	..
	Completions . .	— +14 — — +12 —				..	..	..	..	..	..	..	..
Western Germany	Authorizations . .	-2	-8	-14	-11	-5	-9	+42 ^c	+14 ^c	+9 ^c	+2 ^c	-5 ^c	-2 ^c
	Completions . .	+10	+14	+5	—	+14	+13	+30 ^a	+30 ^a	+18 ^a	+11 ^a	+11 ^a	+8
Italy	Authorizations . .	+14	+3	-5	-12	+14	+24 ^h	+4 ^a	-11 ^a	+7 ^a	-14 ^a	+16 ^a	..
	Completions . .	+14	+11	+10	+8	+29	+39 ^h	+6 ^a	-23 ^a	-21 ^a	+4 ^a	+41 ^a	..
Netherlands	Authorizations . .	+22	+12	+18	+44	+9	+14	+60	+68	+13	+3	-22	-4
	Starts	-8	+23	+3	+29	+74	-2	+101	+16	+29	+33	..	..
	Completions . .	+28	+14	+9	+7	+68	+37	-7	+17	+22	+5	..	..
Norway	Authorizations . .	-27	-23	+8	-6	+63	+21 ^h	+120	+190	-15	+43	+100	+23 ^h
	Completions . .	-8	-6	-26	-20	-13	..	+15	+41	-54	-12	-4	..
Sweden	Authorizations . .	-19	+41	-25	-14	+5	..	+42	-30	+83	-29	+170	..
	Starts	+43 ^d	+39 ^d	-21 ^d	-14 ^d	-17 ^d	-1 ^d	..	..	..	..	..	..
	Completions . .	+27 ^d	-30 ^d	-16 ^d	+5 ^d	+17 ^d	+23 ^d	-12	+56	+184	+30	..	..
Switzerland	Authorizations . .	-15 ^e	-15 ^e	-31 ^e	-25 ^e	-25 ^e	-25 ^e	+1 ^g	+16 ^g	+13 ^g	+2 ^g	+14 ^g	..
	Completions . .	+6 ^e	-19 ^e	+12 ^e	+3 ^e	+5 ^e	+21 ^e	..	..	..	..	..	..
United Kingdomⁱ	Authorizations . .	..	..	..	..	..	..	-9	-52	-4	-12	-37	+28 ^f
	Starts	—	-8	-20	-13	+4	-6 ^f	-5	-19	-13	-11	..	..
	Completions . .	-17	+5	-5	-2	+12	-5 ^f	+35	+9	+23	+5	..	..

Sources: National statistics.

^a All non-residential buildings.

^b For dwellings: five major urban districts; for industrial building: urban and principal rural areas.

^c Building for economic activity.

^d In 53 towns.

^e In 42 towns.

^f April-June.

^g Number of building projects approved by federal authorities.

^h April.

ⁱ Figures for industrial building cover manufacturing industry only.

TABLE 5
Retail sales by commodity groups
Percentage increase over the corresponding period of previous year
(Increases in volume except for italicized figures, which represent increases in value)

Country	Period	Clothing	Furniture	Hardware	Electric appliances	TOTAL RETAIL SALES ^a	Passenger cars ^b	Motor-cycles and scooters ^b
Austria	1st half 1956	8	15	13	18	5	14	-17
	2nd half 1956	3	5	5	11	4	6	-50
	Jan-April 1957	7	10	17	9	8	27	-47
Denmark	1st half 1956	-9	-7	6		-3	-1	..
	2nd half 1956	8	15	7		5	14	..
	Jan-April 1957	12	20 ^c	17 ^c		9	23	..
Finland	1st half 1956	6	..	11		1	32	19
	2nd half 1956		..				22	34
	Jan-April 1957	7	..	17		1	44	163
France	1st half 1956	3	10	13	31	7	17	-18
	2nd half 1956	12 ^d	24 ^d	16 ^d	21	12 ^d	11	-21
	Jan-April 1957	8	20	20	..	8	..	..
Western Germany .	1st half 1956	12	19	16	21	11	33	-30
	2nd half 1956	12	12	12	15	8	8	-40
	Jan-April 1957	10	13	13	11	6	12	-39
Netherlands	1st half 1956	17	23	14	22	(9)	21	19
	2nd half 1956	18	23	16	19	(7)	4	-31
	Jan-April 1957	4	23	18	30	(3)	2	-26
Norway	1st half 1956	4 ^e	..	8 ^e	..	5	-24	-10
	2nd half 1956	7 ^e	..	9 ^e	..	4	26	-17
	Jan-April 1957	-1	7	13	-5	3	20	-25
Sweden	1st half 1956	-3	6	..	12	3	3	..
	2nd half 1956	4	-2	..	10	2	3	..
	1st qtr. 1957	-2	2	..	15	-3	3	..
Switzerland	1st half 1956	5	14	10	7	7	15	-16
	2nd half 1956	9	14	12	3	7	5	-23
	Jan-April 1957	10	13	12	12	6	12	-16
United Kingdom . .	1st half 1956	2	3	12	2	—	-7	-20
	2nd half 1956	3	3	3	-6	2	-34	-26
	Jan-April 1957	5	13	3	15	4	-26	74

Sources: National statistics.

NOTE. — Figures in parentheses are based on consumers' expenditure, whereas other data are derived from retail sales statistics.

^a Excluding motor vehicles, but including food and tobacco.

^b Based on new registrations, with the exception of Norway, where figures refer to available supplies.

^c First quarter.

^d June-November 1956.

^e Figures referring to town areas only.

to the money market, where rates have fallen significantly. As in the early 1930's, the German investor exhibits a pronounced disinclination to shift from the money to the capital market, while, at the same time, high rates of profit raise demand for long-term funds. The strong liquidity preference of the west German investor impedes the development of the capital market, whereby not only is the structure of domestic investment affected, but also the disturbances to the inter-

national payments mechanism arising out of the west German surpluses are intensified.

Though deteriorating balances of payments and fears of inflation have been the principal motivating factors behind the tightening of credit policies, it is not possible, comparing recent levels with those of a year earlier, to establish any quantitative connexion between — on the one hand — the extent of the loss of exchange reserves, the rise in wage rates, or the

TABLE 6
Hourly earnings in industry^a
Index numbers, 1953 = 100

Country	1955				1956				1957	
	I	II	III	IV	I	II	III	IV	I	II
Austria ^b	107	112	115	116	112	118	121	121	120	125
Belgium ^d	102	102	102	107	113	118	119	121	126	126 ^c
Denmark	106	112	108	112	112	120	117	122	..	..
Finland	104	106	109	109	109	122	123	123	..	..
France ^{d, e}	111	113	116	119	121	123	125	127	129	131*
Western Germany	106	109	110	113	115	119	120	122	..	..
Ireland ^f	106	107	109	114	114	115	115	116	..	..
Italy	108	109	110	111	112	117	118	118	119	..
Netherlands ^d	116	116	117	117	117	119	122	123	130	131
Norway	107	114	109	112	112	121	120	124	122	..
Sweden	107	112	112	114	115	122	121	123	124	128
Switzerland ^d	101	102	102	102	103	104	105	106	107	..
United Kingdom	..	113 ^c	..	116 ^g	..	123 ^c	..	125 ^g	..	128 ^c

Sources: National statistics.

a In general, average hourly earnings in manufacturing industry.

b Weekly earnings, in Vienna only.

c April.

d Wage rates.

e Moving averages: January-April; April-July; July-October; October-January.

f October 1953 = 100.

g October.

TABLE 7
Index numbers of the cost of living in western European countries
1953 = 100

	Food, drink and tobacco ^a			Clothing and household goods ^b			Housing			Fuel and light			Total ^c		
	1956		1957	1956		1957	1956		1957	1956		1957	1956		1957
	June	Sept.	Dec.	June	Sept.	Dec.	June	Sept.	Dec.	June	Sept.	Dec.	June	Sept.	Dec.
Austria	108	106	111	105	102	103	103	105	102	102	102	103	97	97	99
Belgium	104	104	106	106	100	101	101	103 ^d	..	..	..	108	110	111	117 ^d
Denmark ^f	113	114	115	112 ^g	110	111	113	115 ^g	114	114	121	121 ^g	128	129	129
Finland	106	109	117	119	88	92	93	94	157	157	166	188	107	109	109
France	100	101	101	100	101	102	103	106	135	140	140	143	93	94	95
Western Germany	105	104	105	105	100	101	101	104	109	109	110	111	109	110	112
Greece	122	122	121	122	125	126	125	129	154	154	154	189	127	127	135
Ireland ⁱ	106	105	102	106	101	102	102	103 ^j	109	111	114	115 ^j	109	117	120
Italy	111	111	111	109 ^d	101	101	101	103 ^d	156	158	160	186 ^d	100	102	103
Netherlands	111	111	110	119	98	102	102	102	125	125	125	126	112	115	118
Norway	116	112	112	114	100	101	101	104	115	115	115	118	120	124	126
Portugal	104	104	107	102	96	96	99	96	115	118	117	118	103	103	108
Spain	113	114	120	124 ^h	107	108	110	111 ^h	103	103	104	107 ^h	..	..	111
Sweden	113	111	114	116	100	99	100	101	116	116	116	119	111	115	123
Switzerland	105	106	107	106	98	98	98	100	109	109	109	112	101	102	105
United Kingdom	113	111	113	116	105	106	106	106	113	114	115	120	121	122	127
Yugoslavia	133	120	129	129	90	90	90	88	136	136	136	136	120	120	123

Sources: National statistics.

a In certain cases excluding drink and tobacco.

b For Finland, Greece, Ireland, Italy, Norway, Portugal, Switzerland and Yugoslavia the series refer to clothing only.

c Including commodities and services not enumerated, but excluding taxes.

d May.

e Excluding rent.

f July, October, January instead of June, September and December.

g July.

h April.

i May, August and November instead of June, September and December.

growth of employment and—on the other hand—the relative rise in long-term rates in western Europe. Nor can it be shown that credit restriction has tended to dampen the rise in wages. Though a scatter chart for ten countries exhibits a hardly significant tendency for wage increases to vary inversely with changes in long-term rates, this is almost certainly accidental, since employment changes appear unrelated to changes either in interest rates or in wage rates; nor does any other evidence point to a high responsiveness of trade union policies to interest rate changes.

The Pattern of Output

Though total employment and production have developed rather differently in the various western European countries, important similarities among countries are noticeable in the relations between trends in the main branches of production.

The connexion between exports and total domestic activity has already been noted. The statistics of building activity are particularly difficult to interpret, because of the unseasonably mild weather in the early months of the year. While Table 4 hardly allows any very definite conclusions on over-all trends in building activity to be drawn, it leaves on balance an impression of a shift in the composition of output from residential towards industrial building. Furthermore, the statistics on industrial production (Table 1) reveal that from the first half of 1956 to the first half of 1957, output has in most countries risen relatively less in the

metal-using industries than in industry as a whole, related presumably to a decline in the share of investment in total output. Such changes in the composition of investment and of total output can probably be taken as symptomatic of the shortening of the economic perspective called forth by rising interest rates.

Though the information on retail trade practically defies any attempt at generalization, Table 5 tends to confirm the impression that, in a number of countries, the importance of consumer spending has increased as an element in the continuing growth of total expenditure. Significant in this respect are the figures for Denmark, where the rise in consumers' spending was the major factor in the moderate upturn that started in the second half of 1956.³

Little information has appeared to change the general account given in the May *Bulletin* of wage and price trends. Comparing the latest twelve-month period for which information is available with the preceding one, the increase in wages has accelerated in most countries, but without any clear-cut connexion with developments in the relative strengths of demand and supply on the labour market.

The decline in food prices at the retail level early in the year has generally come to an end, and the moderate upward trend of retail prices has continued.

³ The statistics on passenger car sales so heavily reflect the effects of the dislocation of European oil supplies during the winter months as to be of little use as a guide to prospective developments.

2. TRADE AND PAYMENTS OF WESTERN EUROPE

Developments in Imports and Exports of Western European Countries

The rising trend of production in western Europe continues to be accompanied by a high level of trade. As can be seen from Chart 1, where a rough attempt has been made to follow the course of trade after elimination of seasonal variations, trade among western European countries has resumed its marked upward movement after a period of stability in the summer of 1956, and in the first few months of 1957 increased at a faster rate than industrial production. While exports to overseas have been rising more slowly, imports from overseas continue to grow at a pace greater than that of industrial output, and to widen the trade gap for western Europe as a whole. Preliminary data for the months of April and May suggest, however, that the pace of exports to overseas destinations may again be quickening.

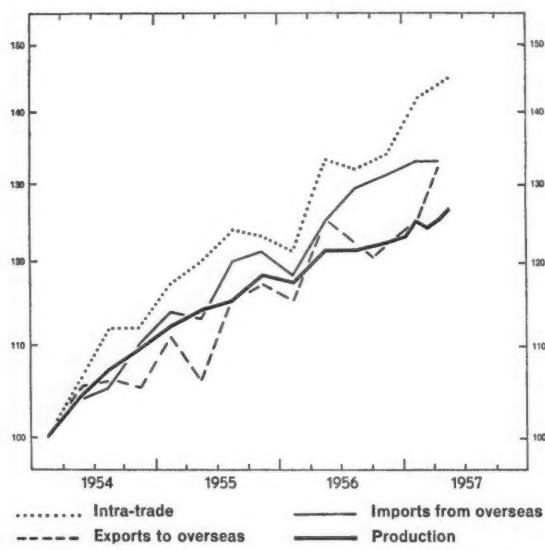
The steady rise of imports from outside Europe is all the more significant of western Europe's increasing dependence on supplies from overseas for sus-

taining industrial expansion, in that the normal growth of imports in the winter of 1956/57 was slowed down by the closing of the Suez Canal and the reduction in oil supplies. With the reopening of the Canal, oil imports are now resuming their normal upward trend. On the other hand, imports of some goods have been flowing at a rate exceeding "normal" requirements. In spite of the relatively mild winter, coal was being imported from the United States (until the spring of this year) at a rate well in excess of a year earlier (41 million tons were imported from May 1956 to April 1957, as against 30 million in the previous twelve-month period). The unsatisfactory grain harvest in 1956 also contributed to a higher level of imports from overseas than is customary, and European stocks of cotton were built up again once the United States price was settled. Notwithstanding these special factors, the continued expansion of output seems still to depend on a relatively faster increase in the volume of imports from overseas, and there is as yet no sign of any slackening in the pace of increase.

CHART 1

Industrial production^a and foreign trade^a of western Europe

Volume indices, adjusted for seasonal variations,
first quarter 1954=100
Semi-logarithmic scale



^a Includes the following countries: Austria, Belgium, Denmark, Finland, France, western Germany, Italy, the Netherlands, Norway, Sweden and the United Kingdom.

^b Figures relate to trade of OEEC member countries.

Prominent among countries that have experienced a greater expansion of exports to western Europe than to overseas are Italy (in particular its trade with France) and the United Kingdom. In the latter country, where the share of trade with western Europe in the total is relatively small, exports to the dollar area in the first half of 1957 were less than 5 per cent higher in value than in the first half of 1956, compared with a 24 per cent increase a year earlier, and this performance itself was in a large measure due to the successful export of cars to the American and Canadian markets. Indeed, the expanding American market for European cars, though still a marginal element in total United States domestic sales, is becoming an increasingly important source of export revenue for all the major European car producers.⁴ Figures for April and May reveal some revival of United Kingdom exports to overseas of aircraft, machinery and other engineering goods, sales of which had so far been disappointing.

⁴ Imports of cars into the United States in the period January - April 1957 amounted to \$59 million, against \$25 million a year earlier. One of the major automobile corporations in the United States recently reversed its traditional policy and will henceforth import cars made by its subsidiaries in the United Kingdom and western Germany.

Output and Trade in Different Countries

In a number of countries, the more rapid growth of the volume of imports than of exports has for some time been a matter of concern, the more so as the effect on the balance of payments was aggravated in the early months of the year by a rise in import prices. France was among the countries most seriously affected by this dual development. The considerable expansion of output that took place in France in 1956 has been accompanied ever since the beginning of that year by an even more impressive rise in imports, while a declining share of output has been exported. As can be seen from Chart 2, the volume of imports, after allowance for seasonal influences, has ceased to grow in the last six months, but still remains at a very high level, whereas exports improved somewhat in the second quarter of 1957. Nevertheless, the French balance of payments is already so adverse that new measures have been taken to reduce the trade gap by restricting imports and promoting a greater expansion of exports.⁵

In the Netherlands, policies designed to contain the expansion of internal demand were adopted earlier in the year (see the *Bulletin* for May 1957), but have hardly as yet begun to affect the import bill. The rise in imports in the first half of 1957 has affected most classes of goods, including metals and machinery, and fuels; but consumer goods, such as food, textiles and clothing, and materials for the textile and other consumer-goods industries, have played an important role. The import content of the increase in Netherlands consumption that has taken place in the last three years has proved to be very high.⁶

In Denmark and the United Kingdom, and also in Sweden, policies of restraint designed to limit the rise in imports and encourage a more rapid growth of exports have been in force longer than in other countries of western Europe, but the rise in incomes in Denmark caused by the wage awards of 1956 induced a revival of industrial output in the second half of that year and an increase in the volume of imports; recently, the rise in Danish production appears to have come to a halt, and in the second quarter the trade deficit declined to a level below that of a year ago.

In the United Kingdom, signs of a revival of output — particularly in manufacturing industry — are only just beginning to appear. In anticipation of an expansion of output, imports — which had been

⁵ See below.

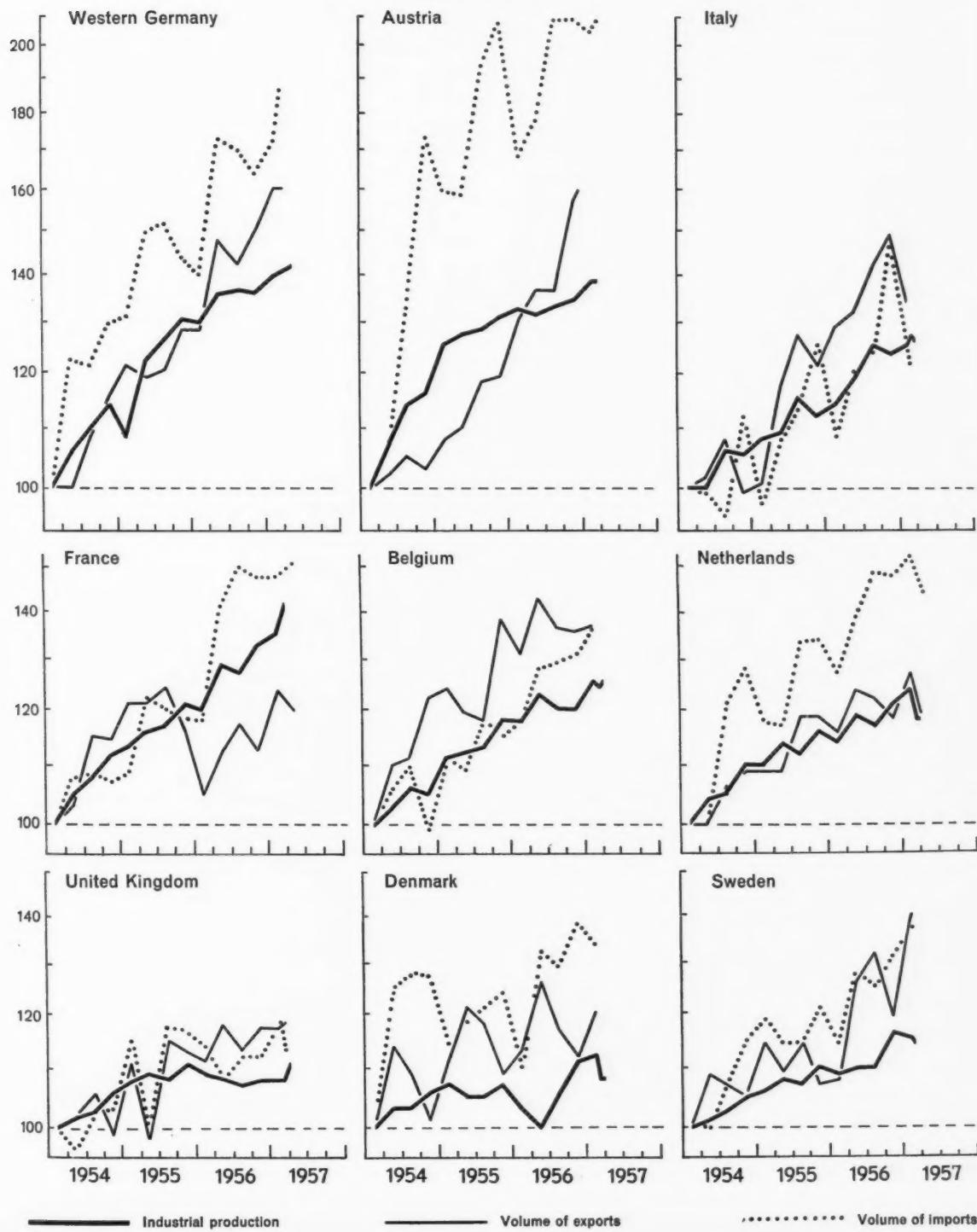
⁶ This can be partially seen from the fact that in the years 1954, 1955 and 1956, consumption by households rose (over the previous year) by 10, 8 and 11 per cent respectively, whereas imports of consumption goods into the Netherlands rose by as much as 38, 26 and 25 per cent in those years (cf. *Maandschrift van het Centraal Bureau voor de Statistiek*, June 1957, p. 529).

CHART 2

Trends of production and trade in selected western European countries

Index numbers (first quarter 1954=100)—Adjusted for seasonal fluctuations

Semi-logarithmic scale



Sources: National statistics.

virtually stable in the last two years, and so made a major contribution to the improvement in the current balance of payments in 1956 — have been rising slightly, but the extent of the rise so far is among the smallest in western Europe. Owing to its high proportion of trade with non-European countries, the United Kingdom's trade was particularly affected by the shipping delays and deviations, caused by the closing and reopening of the Suez Canal, which blur the general picture of the trend of imports. In the first half of 1957, imports were 3 per cent above the volume in the first half of 1956, but if account is taken of late arrivals carried over from 1956 the rise is only about 1½ per cent. This average hides a rather divergent movement of coal, oil and steel, imports of which were rather lower than in 1956, and of most other industrial materials, for which imports were 8 per cent higher in volume. The 3 per cent rise in the volume of exports in the first six months of the year, over the same months of 1956, contrasts with increases of 5 to 6 per cent in 1955 and 1956 (after allowance for the effect of dock strikes), and suggests that the rate of increase of exports may be slowing down. Exports of engineering products (other than cars), which account for a large proportion of the total, had flagged in the first quarter; and it remains to be seen whether the improvement experienced in the second quarter is a permanent one.

In both Sweden and Norway, on the other hand, a rising volume of imports and of production has been accompanied by roughly corresponding increases in exports. Sweden has experienced a substantial rise in foreign demand for its produce. The volume of timber exports in the period January - May 1957 was 70 per cent greater than a year ago, and that of pulp 33 per cent greater.⁷ This improvement was partly due to the building up of stocks in the consumer countries, whereas in the previous season they were being run down.

Exports of timber from another major producer, Finland, have been handicapped by uncompetitive prices due to the rise in domestic costs.

In the remaining countries shown in Chart 2 — Austria, Belgium and western Germany — the balance of payments is not (or is no longer) a major preoccupation, and both exports and imports are rising along with — or faster than — production. Some levelling off of both output and imports became apparent in Austria in the early months of 1957, and a more recent tendency towards renewed expansion of output does not appear so far to have affected imports. In Belgium, imports of fuel, food and aircraft were responsible

for a sharp and more than seasonal rise that appears, however, to have been only temporary.

Prices and the Terms of Trade

The closing of the Suez Canal accentuated the scarcity of shipping space, already overtaxed by unusually large consignments of grain and coal, and led to a steep climb in freight rates, with consequent increases for Europe in the cost of landed goods. Under the combined effect, however, of a gradual adaptation to the dislocation of shipping channels, the subsequent reopening of the Suez Canal, net additions to the world fleet, and a falling demand for tonnage (particularly of dry cargoes), the freight market subsequently collapsed. Tramp shipping rates have been declining since January, and the market is at present in a very depressed state.

“Norwegian Shipping News” index of freight rates

Fourth quarter 1953 = 100

		<i>Dry cargoes</i> (Time charter)	<i>Tankers</i> (MOT)
1951	December	366	470
1952	December	93	174
1953	December	101	99
1954	December	179	128
1955	December	237	286
1956	March	258	147
	June	290	238
	September	319	262
	December	392	502
1957	March	292	351
	June	198	103

The rise in freight rates contributed to the deterioration of the terms of trade that occurred in the fourth quarter of 1956 and the beginning of 1957; but the subsequent fall has been reflected in the trade returns only recently, and the full benefit that most western European countries should derive is perhaps still to come. To the extent that a country provides shipping services — and particularly tramp shipping — either to its own or to foreign carriers, the loss apparent in the larger deficit for commodity trade (when imports are measured c.i.f.) is compensated by higher invisible earnings from shipping. This was in fact the case for Norway and Sweden, whereas the United Kingdom stood to lose on this score, being a net importer of tramp shipping.

It would appear that a further deterioration of western Europe's commodity terms of trade was caused by an additional rise in commodity prices, though with the exception of fuels it was of moderate proportions. Oil was, of course, particularly affected as a commodity temporarily in short supply.

The combined effect of higher fuel prices and freight rates was naturally greatest in those countries where

⁷ Swedish ports remained frozen for an abnormally long period in the winter of 1955/56, but by the end of May most of the delayed exports must have been shipped.

TABLE 8

Gross holdings of gold and foreign exchange of central banks and treasuries

In terms of number of months' imports at the 1956 average monthly rate (end of period)

Country	1956				1957		
	December	March	June	October	December	March	June
Austria	4.5	4.3	4.5	5.2	5.0	5.0	5.4
Belgium-Luxembourg . .	4.2	4.4	4.4	4.5	4.3	4.0	4.0
Denmark	0.5	1.3	1.2	1.3	1.2	1.1	1.3
Finland	3.0	3.8	2.3	2.4	2.4	1.9	1.9 ^a
France	4.4	4.2	3.8	3.5	2.9	2.3*	1.6*
West Germany	5.5	5.8	6.5	7.4	7.7	8.1	8.8
Greece	5.4	5.7	5.7	5.3	5.6	5.8	5.9 ^b
Iceland	1.8	1.8	1.6	1.3	1.9	1.9	1.9
Ireland	5.8	5.4	5.4	5.5	5.6	5.7	5.6
Italy	4.7	4.7	4.9	5.2	5.0	4.8 ^c	..
Netherlands	4.1	4.2	3.9	3.7	3.5	3.4	3.3
Norway	1.6	1.6	1.6	1.7	1.8	1.9	1.8
Portugal	18.3	18.4	18.3	18.4	18.9	18.6	18.6 ^a
Spain	2.9	2.8	2.6	1.9	1.7	1.5	1.3 ^a
Sweden	2.6	2.5	2.4	2.4	2.6	2.6	2.6
Switzerland	12.6	12.5	12.3	..	12.9	12.3	12.5
Turkey	6.2	6.4	6.2	6.6	6.8	7.1	7.1 ^a
United Kingdom	2.3	2.5	2.6	2.5	2.4	2.4	2.6

Sources : International Financial Statistics, International Monetary Fund, and national trade statistics.

^a May.^b April.^c February.

oil constitutes an important part of total imports, such as France, Sweden and the United Kingdom, or where a large share of all imports is carried by sea. Half of the 6 per cent increase in the value of United Kingdom imports in the first half year was accounted for by a rise in prices. However, a rise in export prices in some countries compensated for part of the increase in import prices.

Balances of Payments

The balance-of-payments position of western Europe continues to be dominated by the growing surplus of western Germany and the heavy deficit incurred by France. On a more moderate scale, a worsening of the current balance has occurred in a number of countries as a result of a recent — and in some cases probably temporary — deterioration in the trading position, and has led to the adoption of corrective measures. In Finland, import restrictions have been intensified in order to reduce imports from western Europe to 70-75 per cent of their 1956 volume.⁸ In addition, total demand is being curbed to some extent through monetary measures. In Denmark — as already mentioned — the rise in imports above the level of 1956 came to a stop in the second quarter.

⁸ After discussions with members of the EPU, Finland introduced a system of global licensing, whereby a large part of import licences are made available for use in any EPU country.

In spite of the larger import surplus (which is revealed in Table 9) for Austria, Belgium, Italy, and Switzerland — countries which have not faced a critical balance-of-payments problem in recent times — there would so far appear to be no reason to expect a serious deterioration in the liquidity position of these countries. In Austria, indications are that the invisible items will to a large extent offset the larger deficit on commodity trade. The growing trade gap of Switzerland reflects the increasing pressure on domestic resources, but even if there should be no corresponding increase in the surplus on invisible account, the country's foreign exchange reserves (see Table 8) provide ample cover.

In spite of a rather larger import gap in the first half of this year than of last, the Norwegian balance of payments probably still showed a current surplus, thanks to the high level of freight receipts, though a smaller surplus than in the previous year. The fall in import prices since the first quarter will partly offset the loss that will be incurred in the second half through the steep decline in freight rates. As the major part of the Norwegian fleet is on time charter, shipping earnings will, of course, fluctuate less than freight rates.

The United Kingdom achieved a small surplus on current account in the second half of 1956, but as a consequence of unfavourable movements of short-term capital, in the wake of the events of Suez, the

TABLE 9

Indicators of changes in the trade and payments position of western European countries in 1956 and 1957
Millions of dollars and index numbers

Country	Terms of trade ^a 1953=100			Trade balance ^b		Surplus or deficit with EPU		Change in gold and foreign exchange holdings of central banks and treasuries	
	1956	1956	1957	1956	1957	1956	1957	1956	1957
	First quarter	Fourth quarter	First quarter	First half	First half	First half	First half	First half	First half
Austria	106	105	102	-64	-78	-3	+11	0	+28
Belgium-Luxembourg	103	103	102 *	+24	-100 ^c	+137	-37	+64	-92
Denmark	103	105	96	-90	-142	-17	-37	+1.4	+11.7
Finland	110	107	100	-97	-95	..	..	-50.8	-36.9 ^d
France	99	100	95	-488	-753	-225	-546	-290	-600 *
Western Germany	99	100	100	+342	+467	+405	+762	+514	+579
Greece . . . . .	..	..	..	-145	-147 *	-8	-6	+11.4	+23.1 ^e
Iceland . . . . .	..	..	..	-8	-5 ^c	-2	-1	-1.6	-0.3
Italy	100	97	94	-531	-634	-86	-72	+51	-78 ^f
Netherlands	103	103	102	-377	-611	-80	-19	-63	-54
Norway	114	113	106	-250	-265 ^c	-7	+15	-3.5	-2.0
Portugal	102	101	99	-68	-123 ^c	-23	-32	+1	-1 ^d
Spain	80	87	..	-161	-255 *	..	..	-16	-28 ^d
Sweden	100	98	96	-184	-201	-24	+56	-35	+4
Switzerland	97	93	93	-150	-255	-47	-82	-44	-66
Turkey . . . . .	..	..	..	-46	+9 ^c	-23	-37	0	+18 ^d
United Kingdom	100	100	99	-868	-981	{ +3	+36	+265	+248
Ireland . . . . .	..	..	..	-139	-79		-17	-17	+1

Sources : *General Statistics*, OEEC, Paris; *International Financial Statistics*, International Monetary Fund, Washington; and national statistics.

a The ratio of the export price index to the import price index.

b Exports f.o.b. minus imports c.i.f.

c January-May at half-yearly rate.

d November 1956-May 1957.

e October 1956-April 1957.

f September 1956-February 1957.

gold and dollar reserves suffered a drastic decline. Reinforcement was obtained in the form of the waiver of \$104 million of interest on the Canadian and American loans (accounting for almost half of the second half-year's current surplus) and a purchase from the International Monetary Fund of \$561 million, together with a stand-by credit — not so far drawn upon — of \$739 million. With the trade gap higher than in 1956, but lower than in 1955, a slow improvement has been taking place; but at the beginning of the year, the invisible account suffered from high freight rates and the visible account from higher dollar expenditure on oil, so that the surplus on current account in the first half of 1957 was very much smaller than in the first half of 1956 — in fact, not much above the unsatisfactory surplus of the same period of 1955. Moreover, the reserves have been under much pressure since the second quarter of 1956 from the deficits incurred by India. The issue of import licences has now been temporarily suspended in India, and measures are under review to restrain total demand. Though these measures will ease the strain on the central reserves, they will at the same time have repercussions on United Kingdom exports.

The strengthening of the gold and dollar reserves, together with the continuation of a substantial volume of capital exports, are among the principal objectives of the United Kingdom's present economic policy. While the moderate expansion in domestic activity that seems likely to take place during the rest of this year may not prevent a current surplus again being achieved — though perhaps a smaller surplus than that of 1956 — the contribution of the rest of the sterling area to the strengthening of the central reserves appears to have been impaired by the weakness of commodity markets.

In the longer run, the international liquidity of the United Kingdom is — by virtue of London's role as central banker and capital supplier to the rest of the sterling area — likely to experience growing pressure to the extent that the colonial territories increasingly call for capital for development rather than continuing to accumulate sterling balances.

Denmark — stagnating with a Deficit

In Denmark, as mentioned in the May *Bulletin*, an upturn in industrial production took place in the

second half of 1956. As in several other countries, favourable weather conditions in the first quarter of 1957 led to an early increase in outdoor work and a consequent decline in unemployment in the building and construction trades below the levels of a year earlier. However, in the second quarter the position was reversed, and by the end of June the number of unemployed in these trades was significantly higher than a year before. From the beginning of the fourth quarter of 1956 industrial production has remained above the level of a year earlier, but without any significant subsequent increase. In May of this year the index of total industrial production exceeded that of May 1954 by only some 5 per cent, with the largest increases in textiles and clothing.

In the metal industries, production in the first half of the year hardly exceeded the level of 1956 and has so far been distinctly lower than in the first half of 1955. Thus, the revival in economic activity has been quite moderate and largely confined to consumers' goods industries.

In spite of the weakness of the recovery in production and demand, the Danish balance of payments suffered a pronounced deterioration. Ignoring the purchase of \$34 million from the International Monetary Fund in June, the net foreign indebtedness of the central bank increased by D.kr. 244 million (\$35 million) from the end of November 1956 to the end of June this year. In 1956 the excess of imports (c.i.f.) over exports (f.o.b.) amounted to D.kr. 1,453 million — or D.kr. 553 million more than in 1955 — the rise being confined to the last three quarters of the year. In the first quarter of this year the negative trade balance rose to D.kr. 681 million — or D.kr. 487 million more than in the corresponding quarter of 1956. However, in the second quarter the excess of imports over exports declined below the level of the second quarter 1956. It would appear that a large part of the deterioration in the trade balance has been due to the increased cost of imports, especially of liquid fuels, during the months when the Suez Canal was closed to traffic. Furthermore, from the beginning of this year the prices of agricultural exports fell sharply, but started recovering in May, and import prices have on balance been declining since March. In July, export prices of bacon fell steeply owing to a strong rise in supply, which farmers' sales co-operatives are now attempting to reduce through an adjustment of the price structure applying to farmers' deliveries. On the other hand, the moderate rise in domestic activity does not appear to have caused any further appreciable increase in the volume of imports beyond that which had already taken place in the course of 1956.

However, since the Danish foreign exchange position over a period of years has been strained, the recent

deterioration, though partly due to temporary factors, was considered by the new Government, formed after the elections in May, to call for a number of special measures. Most important among these are a forced loan, to be taken up by the higher income groups, and increases in various indirect taxes. An improvement in the budgetary position of close to d.kr. 400 million is expected. Mainly in consequence of the tax increases, the cost-of-living index rose by rather more than 2 per cent from April to July. Although most of the new taxes and some earlier ones are ignored in a special index computed for wage adjustment purposes, this index rose enough to call for a rise in wages as from 1 September for industrial workers and from 1 October for civil servants.

The policies outlined above are in the main designed on the same principles as those used in the earlier Danish balance-of-payments crises of the post-war period: in order to improve the balance-of-payments position through a decline in imports and — to a lesser extent — a rise in exports, total economic activity is cut down through a reduction in the flow of private incomes. There is, however, an important difference in the underlying economic situation: in 1950-51 and in 1954-55 contractive policies were instituted only when, after a period of expansion, fairly high levels of economic activity had been achieved; but contraction is now being sought at a time when the economy, after a brief and halting recovery, is still far from full employment.

It is not to be expected that the contraction of domestic demand will lead to a significant rise in exports. Though the decline in domestic demand will release for export a slightly larger share of agricultural production, in present market conditions the result will hardly be a comparable rise in export revenues. As to industrial exports, hardly any rise is to be expected in consequence of the fall in domestic demand, since there is already idle capacity in the major export industries and export demand appears to be growing at a decreasing rate. Thus, the improvement in the balance-of-payments position consequent upon the new policy measures will be almost entirely due to a decline in imports caused by a lowering of economic activity.

It may be roughly estimated that as a result of the tightened budgetary policy gross national product will fall by about D.kr. 500 million, unemployment will rise from 10 to about 12 per cent, and the balance of payments on current account will improve by some D.kr. 200 million. This rough calculation is, of course, based on the assumption that the contractive effect of the rise in public revenues will not be wholly or partly neutralized through expansionary measures in other fields. In fact, the new tax increases have in part been motivated by the desire to redress the deterioration in the state budgetary position over the

last few years and thus to lighten the demand pressure from public borrowing on the capital market. Since, however, the rise in public revenues will decrease the liquidity of the banking system, and the forced loan from the higher income groups will presumably lead to an appreciable decline in savings through other channels, an easing of credit conditions other than that arising as the passive consequence of the decline in economic activity is only to be expected in so far as the central bank takes active steps to expand credit. If, on the other hand, credit expansion were resorted to, the decline in national income might become very much smaller than indicated above — though a temporary setback to economic activity would scarcely be avoidable — but, at the same time, the improvement in the foreign balance would be correspondingly reduced. This dilemma suggests that general contractive policies are likely to be costly, in terms of production forgone, when applied to balance-of-payments difficulties which have their origin not in an over-all excess demand for productive resources, but rather in structural maladjustments within the economy.

France—expanding with a Deficit

In the period following that covered by the previous issue of the *Bulletin*, the remarkable expansion of the French economy has continued. The expansion of the last few years has demonstrated a high elasticity of output, and inflationary tendencies have until recently been correspondingly moderate. The continued rise in employment has been accompanied by an increase in productivity, probably in part induced by the reduction of slack on the labour market. Also, the rise in productivity may to some extent have been due to a change in the shares of individual industries and firms in total output.

From the beginning of 1956 to early 1957 the rise in the official cost-of-living index was held down to less than 2 per cent, whereas wage rates rose by close on 8 per cent. The rise in prices has since continued at a slightly higher rate, and in August the index reached the point calling for a 5 per cent rise in the minimum legal wage. The percentage rise in the prices of manufactured products has over the last 18 months been only about half that of money wage rates. Though the official cost-of-living index cannot, without important reservations, be taken as an indicator of retail price trends, there is little doubt that over the 18-month period from the beginning of 1956 to the middle of 1957 real wages increased substantially. It even seems probable that a moderate shift took place from profits to wages, expressed as relative shares of national income.⁹ At the same time, owing to the poor harvest

of 1956, the effects of which were only in part compensated through government price policies, the share of agriculture in national income declined slightly from 1955/56 to 1956/57. Presumably, both of these distributional shifts have tended to raise the ratio of consumers' demand to total income. Moreover, the rise in wages — by affecting the competitiveness of French products — must have contributed to the pressure on the balance of payments and thus have narrowed the scope for further expansion of economic activity.

In view of the increase in wages it is all the more surprising, and testifies to the high elasticity of domestic output, that the rate of increase of imports has been relatively moderate and that the expansion of exports has continued. From 1953 to 1956 the increase in imports amounted to 15 per cent of the increase in gross national product, raising the ratio of imports to gross national product from 10 to 11 per cent. The increase in imports from the first half of 1956 to the first half of 1957 would appear to amount to some 25 per cent of the rise in gross national product. In absolute figures total imports rose by fr. 230 billion, whereas total exports increased by fr. 140 billion. In trade with foreign countries (i.e., excluding French overseas territories) the rise in imports exceeded that in exports by almost fr. 150 billion.

Though the increase in the trade deficit is serious when viewed in relation to the present strained foreign exchange position, and the decline in American aid, it should at the same time be recalled that a number of special factors have acted together to bring about the deterioration in the trade balance. The likely future course of the deficit — under the assumptions of continued high activity and the absence of additional restrictions — could not, therefore, be estimated by a simple extrapolation of recent trends.

The extraordinary burden at present weighing most heavily on the French economy is, evidently, that arising out of the campaign in Algeria. Through the additional call-up of men for the forces in North Africa, rather more than one per cent of the normal labour supply has been withdrawn from the market. In addition, an important share of employed labour and other resources is directly or indirectly devoted to supplying military requirements. Quite roughly, the total annual cost of the Algerian campaign in terms of civilian production forgone may be put at fr. 700 billion, with an estimated impact on the balance of payments of no less than fr. 250 billion. The two major components of the latter figure are a reduction of exports of machinery, etc., below the levels that might otherwise have been attained and an increase in military purchases abroad not reflected in regular trade statistics. But apart from the burden of increased military expenditure, France — like other European

⁹ *Rapport sur les comptes de la nation de l'année 1956*, Ministère des affaires économiques et financières, 1957, pp. 10-11.

countries — has experienced an increased import bill for fuels during the months when the Suez Canal was closed to traffic ; and last year's poor harvest has worsened the balance of trade in food, whereas this year a harvest rather better than that of 1955 is expected.

Further, the liberalization of imports was resumed in 1953, after the complete suspension in 1952, and the percentage of imports liberalized has been raised in each of the following years. Thus, even without any rise in domestic activity a certain rise in the ratio of imports to GNP was to be expected, though, beginning April 1954, some of the imports liberalized became subject to the special compensatory import tax of 10 or 15 per cent. Finally, in the early months of this year imports can be presumed to have accelerated in anticipation of measures to deal with the deterioration of the balance of payments.

The Government did in fact take action in a number of fields at the end of the first and the beginning of the second quarters of this year, as already described in the previous *Bulletin*. Since then, further and more drastic measures have been introduced.

The liberalization of imports was suspended as from 19 June. A cut in total imports of some 30 per cent—that is, back to the level of 1955—is apparently aimed at, but will hardly be realized before the last quarter of the year. The special import tax and the obligation of importers to make advance deposits for imports was retained. To stimulate exports, firms which undertake commitments with regard to the volume of their output exported were granted "exporter status", implying preferential treatment in respect of credit facilities, import licensing and depreciation allowances for tax purposes.

Fiscal policy has been tightened both through increases in taxes on petrol, a number of luxury and household goods, corporate profits, etc., and through cuts in expenditure which, however, will take effect only gradually. These measures are expected to reduce the 1957 deficit to a level about fr. 100 billion below that of 1956.

At the end of the second week of August the Government introduced a surcharge of 20 per cent on all imports other than raw materials and a bonus to exporters of 20 per cent of the value of their sales abroad. The surcharge and the bonus apply also to payments in respect of invisible imports and exports. Since the surcharge and the bonus supersede the special import tax and the export subsidies previously introduced, the effects of the new system of charges and bonuses are approximately equivalent to those of a devaluation by rather less than 10 per cent.

In the monetary field the rediscount ceilings of the commercial banks have been lowered by 20 per cent

in two stages, hire-purchase regulations have been tightened and, in order to dampen the strong rise in share prices, margin requirements have been raised. Finally, on 12 August the bank rate was again raised by 1 per cent, to 5 per cent, as mentioned above.

It is hard to say whether or not, in the normal course of events, the inflationary impact of import restrictions and export promotion would preponderate over the contractive effect of the fiscal and monetary measures. In late July and early August the position was aggravated by both domestic and foreign speculation against the franc, reinforced by the continued decline in the foreign exchange reserves and by the expectation of widespread wage increases under the impact of the rise in the legal minimum wage. It was in part in order to counteract this development that the surcharge on imports and the bonus to exporters were introduced. Though some abatement of the speculation against the franc would appear to have followed, no judgement can at present be formed on the adequacy of these measures in the longer run.

Regional Balances of Payments

The changes in balances with the European Payments Union, compared with the situation in the first half of 1956, have not been parallel with movements in the over-all balances of western European countries, so far as these can be judged from data for the trade balances with due regard to the probable influence of invisible items. From a comparison of the two sets of data in Table 9 it would seem that in the United Kingdom, Sweden, the Netherlands and Italy, for example, the balance with EPU countries developed more favourably, or less unfavourably, than with other countries. Apart from an advance in the net trading position with EPU countries over a year ago, such as occurred in the United Kingdom and the Netherlands, the explanation is to be found principally in greater imports from overseas, in particular of dollar oil and United States coal in the first quarter of the year, and in a less satisfactory development of exports to overseas. At the same time, western Germany's EPU balance is being strengthened not only by its current trading surplus but also by speculative movements of short-term capital. On the other hand, the decline in the foreign exchange reserves of Finland — not a member of the European Payments Union — was more serious in respect of that monetary area than of its holdings of dollars.

Within the European Payments Union, important developments are the conversion of the large Belgian surplus of 1956 into a deficit and smaller changes in the opposite direction in Norway and Sweden, as well as in Austria. But intra-western European payments relationships continue to be subject to the strain of the growing creditor position of western Germany and

TABLE 10
Balance of payments of western Europe with the United States
Millions of current dollars

	1954	1955	1956				1957
			Year	First quarter	Second quarter	Third quarter	
Imports from the United States	—3 492	—4 310	—5 343	—1 155	—1 325	—1 252	—1 611
Exports to the United States	+2 030	+2 399	+2 946	+717	+713	+694	+822
Services (net), excluding United States military expenditure ^a	+316	+379	+524	+74	+189	+200	+61
Balance of goods and services on civilian account	—1 146	—1 532	—1 873	—364	—423	—358	—728
United States military expenditure in western Europe	+1 455	+1 633	+1 663	+440	+524	+338	+361
Balance including United States military expenditure	+309	+101	—210	+76	+101	—20	—367
United States Government grants and credits	+816	+847	+532	+143	+202	+112	+75
Movements of private United States capital	+252	+191	+752	+71	+118	+395	+168
Net increase (—) or decrease (+) in long-term dollar assets	—210	—295	—384	—50	—123	—120	—91
Net increase (—) or decrease (+) in short-term dollar balances and gold	—1 263	—755	—601	—280	—31	—298	+8
Errors, omissions and inter-regional transfers of dollars	+96	—89	—89	+40	—267	—69	+207
							+29

Sources: *Survey of Current Business*, United States Department of Commerce; rearranged from the issues of June 1956 and March and June 1957.

^a Including private remittances and United States Government pensions.

the deficits incurred by France; the *rallonge* granted to the latter country for the year beginning in July 1957 was advanced one month in order to facilitate France's settlement for the month of June. While drastic measures are being adopted in France to reduce the deficit, mainly through a slowing down of imports, western Germany is under increasing international pressure to bring about a shift from its extreme creditor position. As well as encouraging a high degree of liberalization, this has contributed more recently to a decision to reduce tariffs on a wide range of manufactured goods by an average of 25 per cent between 15 August and the end of the year. It is reported, moreover, that measures to increase further the present degree of freedom of capital exports are under consideration.

Western Europe's Balance of Payments with the United States

In the six months ended March 1957 the International Monetary Fund granted assistance in support of member countries' foreign exchange reserves greater than in any previous six-month period of its ten years of existence — \$800 million of foreign exchange and \$1 billion of stand-by credits. The fact that nearly all

of the stand-by credits and a large part of the sales of exchange were to countries of western Europe — France, the United Kingdom and Denmark¹⁰ — though there were also heavy purchases by India and Japan — has once more brought to the fore the question of the adequacy and distribution of Europe's exchange reserves and the trend of its current balance of payments with the United States. Within western Europe, the decline in gold and foreign exchange reserves during those six months has not, of course, been uniform and has been marked by the continued accumulation of reserves by western Germany and the losses by France. Part of western Europe's loss of reserves is due to temporary factors connected *inter alia* with the period of strain following the events of Suez, and represents short-term movements of capital which may subsequently be reversed. Thus, the positive figure in Table 10 representing errors and omissions and inter-regional transfers in the fourth quarter of 1956 would have been a very much larger negative one were it not for the considerable flow of funds from the International Monetary Fund. Though in the nature of the case no firm conclusion can be

¹⁰ Belgium, in June, utilized just before expiration a stand-by credit of \$50 million, granted in 1952.

drawn, such a large negative figure suggests that owing to temporary losses of confidence, affecting particularly sterling, a large volume of unrecorded — and no doubt unauthorized — transactions took place, and that private holdings of gold and dollars were augmented with corresponding losses to central banks and treasuries. Such temporary transfers, rather than a fundamental deterioration in the current balance, were a major factor lying behind the request of the United Kingdom to draw on the Fund.

The arrangement of the figures in Table 10 is designed to throw light on the trend of western Europe's basic payments position by distinguishing ordinary commercial current transactions with the United States from military and other unilateral transfers and transactions on capital account. The deficit on goods and services in 1954 was more than offset by United States military expenditure of various kinds in Europe, supplemented by economic aid and by net private United States investment, resulting in a large accumulation of gold and dollar reserves by Europe in that year. But the more rapid rate of growth of imports from the United States than of exports to it, as European production expanded in

1955, had already by then substantially slowed down the rate of acquisition of gold and dollars, which in the course of 1956 was converted into a net loss.¹¹

As previously mentioned, the strong increase in western Europe's current dollar outlays during the fourth quarter of 1956 and the first quarter of 1957 was partly due to exceptional non-recurring factors. The loss of exchange reserves in the first quarter would have been greater, had it not been for an increase in military expenditure and a smaller drop in the movement of United States private short-term capital to Europe than is normal for the season.

If allowance is made for these various temporary factors, it may be that western Europe's current and capital account with the United States is only just in balance or perhaps in deficit.¹²

¹¹ The gain in the third quarter was due to the exceptional level of direct private United States investment abroad, \$176 million of which represented the sale of a British oil company to an American group.

¹² In April and May the gold and dollar reserves of western European countries rose appreciably, partly on account of the return to the United Kingdom reserves of the interest waived on the United States and Canadian loans. A reflux of short-term funds was probably an additional factor.

3. PROSPECTS

Developments in the United States, where economic activity has increased only slowly since the last quarter of 1955, have exerted an important influence upon the European scene, principally by weakening the position on world commodity markets and by dampening the rate of expansion of exports from other countries to the United States. The recent changes outlined above in western Europe's balance of payments with the United States give added importance to prospective developments in the American economy.

Most indicators of economic activity in the United States provide a picture of relative stability at high levels of output and expenditure. Total civilian employment in the second quarter was virtually unchanged from a year ago. In manufacturing industries the number of employed production workers was rather lower than a year ago and the number of hours worked per week has shown a declining trend since the end of 1955. In part these declines reflect a changed composition of total employment, services accounting for an increasing share of personal consumption.

From the fourth quarter of 1956 to the second quarter of this year the seasonally adjusted estimates of gross national product at an annual rate showed a rise of \$8½ billion. The rise in personal consumption expenditure accounted for four-fifths of the rise

in GNP and in addition the foreign balance and government expenditure for goods and services rose by rather more than \$5 billion. On the other hand, gross private domestic investment declined by \$3½ billion, owing almost entirely to a decline in the rate of inventory accumulation.

The volume of new construction has in recent months been fractionally lower than a year ago without any pronounced trend, a rise in public utility and government construction almost counterbalancing a decline in residential construction. Recent business surveys point to a rise in expenditure on new plant and equipment in the second half of the year over the second half of 1956, but the continued failure of industrial production to expand and the decline in new orders for machine tools and other producers' goods give rise to doubt that the expansion will in fact take place. Already, in several lines of production, margins of unutilized capacity have widened significantly.

Total inventories have changed little in manufacturing and trade and, with the levelling off of wholesale prices in recent months, there are no apparent grounds for expecting that a renewed building up of stocks will bring about an upturn in activity. Within manufacturing a significant shift has taken place in the composition of inventories, stocks of raw materials declining and stocks of finished products rising.

Consumer demand may be expected to continue to rise in money terms, but probably more slowly — in line with the apparently slightly lower rate of increase of personal incomes. In recent months the volume of total retail and wholesale trade has deviated little from the levels of 1956. In the second quarter automobile sales rose slightly above the level of the second quarter of 1956 and some further expansion in sales and production is expected in the remainder of the year. The output of most other consumers' durable goods has recently been below the levels of last year.

On the other hand, the continued growth of government outlay — which is being limited, however, by recent cuts in planned expenditure — may be expected to contribute to an increase in the flow of incomes. Also some further strengthening of the foreign balance may occur. But it remains to be seen whether these factors will prove sufficient to counterbalance the influences working in the opposite direction, which are intensified through the prevailing tightness in money and capital markets. The restrictive credit policies pursued by the American authorities in order to curb inflationary tendencies may come up against a difficulty quite similar to that encountered by western European governments and central banks that only by reducing economic activity to unacceptably low levels can general monetary and fiscal policies succeed in eliminating the inflationary tendencies arising out of the efforts of organized pressure groups to increase their money incomes.

So far during these last years United States imports have risen proportionately faster than national income. United States imports from all areas increased by about 11 per cent a year in the period 1954 to 1956, while its imports from western Europe rose by the order of 20 per cent a year. Its total imports in the first four months of 1957 have been running at a rate only about 5 per cent above the same period of a year earlier, and its imports from western European countries rose 9 per cent. Thus, though western Europe's share in United States imports is still increasing, it seems improbable, in view of the present trends of the American economy, that western Europe can repeat the expansion of its dollar exports of the last two years. Since, however, the share of western European exports in total supplies, domestic and foreign, to the United States market is quite small, the scope must remain considerable for an increase of exports even to a less expansive American economy. In so far as domestic demand pressures recede in western European countries, exports to the United States may be expected to be stimulated both by shorter delivery periods and by intensified sales efforts by western European exporters. But against these factors will stand the increased competitiveness to be expected on the American market.

The rise of 9 per cent in western European exports to the United States is in itself no mean achievement, and it may well turn out to be a higher rate of increase than that in exports to all overseas destinations. From the balance-of-payments point of view, however, it cannot be regarded with complacency. Since western Europe imports about twice as much from the United States as it supplies to it, an increase of the order of 9 per cent would be sufficient to cover only a 5 per cent increase in imports from that country, if the trade balance were not to deteriorate further. However, even if allowance is made for the non-recurrent element in western European imports from the United States in the fourth quarter of 1956, such imports have increased at an annual rate of rather more than 20 per cent from 1954 to 1956. From 1955 to 1956, western Europe's balance on goods and services on civilian account with the United States deteriorated by more than \$300 million and United States government grants and credits declined by a similar amount. But these unfavourable changes were almost fully compensated by a rise of more than \$550 million in private United States capital exports, and western Europe was able to continue the building up of its holdings of gold and of long- and short-term dollar assets.

In the early part of this year the flow of private capital from the United States to western Europe would appear to have continued undiminished. Though there are strong reasons for welcoming the increase in the export of United States private capital, due attention should at the same time be paid to the fact that this source of western European dollar earnings is appreciably more sensitive to changes in the general economic and political climate than commodity trade.

Although western European exports to all overseas destinations appear in the second quarter of this year to have resumed an upward trend, after a period of relative stability, the signs do not point to any considerable increase over 1956 rates. With the main exception of wool, commodity prices have not on the whole been particularly favourable to overseas countries. The exporters of non-ferrous metals have so far been mainly affected, but in addition, favourable European harvest prospects point to a weakening of Europe's demand for agricultural products from overseas.

As seen above, the United States market seems currently to be less expansive than in the past year and this factor may also tend to intensify American competition in overseas markets. The suspension of the issuance of import licences in India cannot be without effect on European exports. Payments difficulties in Japan similar to those experienced in some western European countries are leading to restrictive measures to curb imports and the recent trade agreement

between Japan and Australia will to some extent strengthen competition with western Europe, and especially with the United Kingdom, in the Australian market. On the other hand, the relaxation of restrictions in Australia and South Africa should widen the scope for the expansion of western European exports.

As mentioned above, in some respects imports from overseas have been at an unusually high level, and some relief to western Europe may come through a lower level of grain imports and possibly of fuels. Requirements of steel from overseas will probably also be smaller. In addition, the weakening of commodity prices should bring benefit, though in the longer run any gain from the terms of trade may be more than matched by declines in export volumes.

The policy of restraint exercised in many western European countries has not so far prevented a rapid expansion of intra-European trade. However, the intensification of restrictions and the reinforcement of contractionary measures in a number of countries can hardly fail to affect intra-European trade. The imports of Denmark, Finland, France and the Nether-

lands — four countries which recently have taken rather far-reaching direct or indirect measures to limit imports — account between them for rather more than 25 per cent of total intra-western European imports. The impact on other countries will, of course, vary greatly. Italy, for instance, which has enjoyed a strong rise in its exports to France, will presumably be relatively hard hit by the French restrictions, whereas the direct impact on economic activity in the United Kingdom, which has recently revived, is likely to be more moderate. Thus, prospects in the field of trade tend to confirm the expectation derived from other sources of a continuing trend towards a levelling off in economic activity in western Europe. This trend is likely to be further strengthened by similar tendencies in the American economy and the widespread weakness of international commodity markets. However, as in the recent past, developments may be expected to differ widely as between countries. More recently, signs have appeared of a revival of investment activity in western Germany, where a much wider international margin is available for domestic expansion than in the United Kingdom.

4. INDUSTRIAL OUTPUT AND EMPLOYMENT IN THE SOVIET UNION AND EASTERN EUROPE IN THE FIRST HALF OF 1957

Industrial Production

Such data as exist at the time of writing indicate that global industrial production plans in the Soviet Union and the countries of eastern Europe were fulfilled in the first half of this year, with a considerable margin in most countries¹³ (see Table 11). The rate of growth of output was in most cases very slightly below that of the first half of 1956; but there is no sign yet of any such slackening of the rate of expansion as was foreseen in the 1957 plans of all countries except Czechoslovakia and eastern Germany.

In Hungary, as was to be expected, over-all industrial output remained below the level reached in the first half of 1956 — though it exceeded the planned rate by about 5 per cent — but a steady recovery was apparent up to June.¹⁴ As can be seen from the figures in Table 12, gross output in large-scale industry had recovered by June to only 7 per cent below the previous peak level, reached in the third quarter of

last year, and output per worker on the payroll was only 5 per cent below that level. However, both these figures exaggerate, to some extent, the recovery of total production and of labour productivity. Imported fuels, raw materials and semi-manufactures now represent a much higher proportion of gross industrial output than they did before September 1956, and a very rough calculation¹⁵ suggests that an index number approximating more nearly to a measure of changes in "value added" in Hungarian industry (at least to the extent of excluding the additional import content of gross output) might show a fall of about 16 per cent between the third quarter of 1956 and the second quarter of this year, as compared with the 10 per cent reduction registered by the index of gross output.

Energy and Materials

Output in the basic sectors of industry is recovering slowly in Hungary. This not only accounts directly for part of the fall in the over-all index of production since the third quarter of 1956, but also tends to limit the speed of recovery in the fabricating sectors, although emergency imports of fuels and materials have gone a long way to offset losses of home supplies. Imports of coal rose from 305,000 tons in the first

¹³ At the time of writing, complete plan fulfilment reports for the first half of 1957 existed only for Bulgaria, Czechoslovakia and the Soviet Union, though in some countries monthly statistical bulletins provided partial data. For some other countries it has been possible to insert in the tables figures from plan fulfilment reports received later; but it has not been possible to review these fully in the text of this article.

¹⁴ For a description of the economic situation of Hungary in the spring of this year, see *Economic Bulletin for Europe*, Vol. 9, No. 1.

¹⁵ By the ECE secretariat.

TABLE 11
Industrial production and employment in the
Soviet Union and eastern Europe
Percentage increase over the corresponding period
of the preceding year

	Gross output	Employ- ment	Output per man
<i>Soviet Union</i>			
1956: First half	12	4	8
Whole year	11	3½	7
1957: Whole year (Plan) . .	7	2	5
First half (Plan)	6	..	..
First half	10	4	6
<i>Bulgaria</i>			
1956: First half	13½	4	9
Whole year	16	4	12
1957: Whole year (Plan) . .	8	6	2 ^a
First half (Plan)	6½	..	..
First half	13½	..	..
<i>Czechoslovakia</i>			
1956: First half	10	2½	7½
Whole year	9½	2½	7
1957: Whole year (Plan) . .	8	2	5
First half (Plan)	7	3½	3
First half	9½	4½	5
<i>Eastern Germany</i>			
1956: First half	5½	—* ^a	6* ^a
Whole year	6	—* ^a	8 ^a
1957: Whole year (Plan) . .	6	..	..
First half (Plan) . . . .	..	..	..
First half	8	2* ^a	5 ^a
<i>Hungary</i>			
1956: January to September	8½	1½	7
Whole year	—9	3	—12
1957: Whole year (Plan) . .	2	..	..
First half (Plan)	—16	..	..
First half	—12	—1	—11
<i>Poland</i>			
1956: First half	11	5	6
Whole year	10	4	5
1957: Whole year (Plan) . .	4	2	2
First half (Plan) . . . .	..	..	..
First half	9	4	5

Sources: Plans and plan fulfilment reports.

NOTE. — For figures for earlier years, see *Economic Bulletin for Europe*, Vol. 8, No. 2, Table 12, p. 25.

^a Socialized industry only.

TABLE 12
Output and employment in large-scale industry
in Hungary in 1957

Index numbers, third quarter 1956 = 100

	First quarter	Second quarter	April	May	June
Gross output	76	90	84	93	93
Workers on the pay roll .	94	97	95	97	98
Output per worker	81	92	88	96	95

Sources: *Statistikai Havi Közlemények*, No. 5, 1957; *Népszabadság*, 24 July 1957; *Gazdasági figyelő*, 1 August 1957.

six months of 1956 to over 1 million tons in the same months of this year, and filled a part of the gap resulting from the fall in domestic supplies¹⁶ (see Table 13). The increase in net steel imports nearly offset the fall in domestic steel production, and a steady flow of imported materials has made it possible for production of woollen cloth to recover to last year's levels, though output of cotton cloth in the first half of the year was 13 per cent less than in the same months of 1956. In general, the pattern of recovery is patchy and production in some vital sectors—a number of them fuel-intensive—lags far behind the over-all average; for example, about half as much aluminium and nitrogenous fertilizer was produced in the first half of this year as in the same months of 1956, and cement production was about 20 per cent below the corresponding 1956 level; but output of bricks was actually higher. The Hungarian Minister of Finance has recently stressed the difficulties of providing adequate supplies of raw materials: "We have to warn that an over-fulfilment of the plan in quantitative terms is permissible only if this does not increase the difficulties of raw material supply. We have raw materials only in quantities that are required for the fulfilment of the plan."¹⁷

In the other countries of eastern Europe and in the Soviet Union a winter milder than that of 1955/56 was one factor helping to maintain a rapid growth of industrial output, particularly through its effects in easing the energy supply situation, and coal output in all countries showed a rate of growth higher than had been planned. In Poland, the improvement in the mining labour force noted in the last *Bulletin* has been maintained, but coal production during January to June fell below the level of the same months of last year, reflecting a reduction in the days worked¹⁸ (see Table 13). In Czechoslovakia, however, the marked increase in output over last year's levels owed something to the introduction of Sunday shifts—as well as to a slightly larger labour force and to the weather—but recruitment to the mines fell below the planned numbers in the first half of the year.¹⁹ The Government has therefore decided to raise to 1,800 Kčs. the once-for-all premium paid to new entrants to the industry who are prepared to sign contracts for three years.²⁰ In eastern Germany the influence of the good weather

¹⁶ The calorific content of imported coal is about twice that of home-produced coal.

¹⁷ *Népszabadság*, 4 June 1957.

¹⁸ Output per man-day (excluding holidays) rose by 3 per cent as compared with the same months of 1956.

¹⁹ Up to 10 June 1957, recruitment of miners in Ostrava, the largest Czechoslovak coal basin, fell 1,200 short of the planned figure. This alone may represent a loss of about 10 per cent on planned recruitment for the whole country, which for the whole year 1957 is 30,000. (*Rudé Právo*, 10 April and 20 June 1957).

²⁰ *Rudé Právo*, 7 June 1957.

TABLE 13

Production in the Soviet Union and in eastern Europe in the first half-year 1956 and 1957

	Unit	Soviet Union			Bulgaria			Czechoslovakia		
		1956 1st half	1957 1st half	1957 Plan	1956 1st half	1957 1st half	1957 Plan	1956 1st half	1957 1st half	1957 Plan
<i>Mining</i>										
Hard coal	Million tons	209	226 ^a	446	3.67	4.25 ^a	11.0	11.8	12.0 ^a	24.5
Brown coal		39.5	46.2 ^a	97.0	0.01	0.01 ^a	0.28	22.1	24.6 ^b	49.9
Crude petroleum		38.2	41.3	..	..	..	0.27	1.3	1.4	2.8
Iron ore	Billion m ³	6.4 ^d	9.0 ^a ^d	21.4 ^a	..	..	..	1.8	..	..
Manufactured gas	Million tons	23.0	23.7 ^a	..	..	..	..	1.8 ^c	2.0 ^c	..
Coke										
<i>Electric power</i>										
	Million MWh	94.4	102.0 ^a	211.2	1.13	1.25	2.71	8.1	8.6 ^a	18.0
<i>Basic materials</i>										
Pig iron	Million tons	17.7	18.2 ^a	38.1	..	..	0.04	1.6	1.8	3.6
Crude steel		24.0	25.0 ^a	51.5	0.06	0.07 ^b	0.18	2.4	2.6	5.2
Rolled products		18.7	19.8 ⁿ	39.5	0.05	0.06 ^b	0.12	1.6	1.7	3.5
Aluminium	Thousand tons	..	..	..	—	—	—	5.1 ^c	3.8 ^c	..
<i>Chemical industry</i>										
Sulphuric acid	Thousand tons	2 110	2 300 ^a	..	14	16 ^a	..	209	225	458
Nitrogenous fertilizers		5 377 ^p	5 700 ^a ^p	11 600 ^p	51	64 ^a	108	32 ^f	39 ^f	77 ^f
Phosphorus fertilizers . . . . .					..	..	..	52 ^g	56 ^g	..
Caustic soda		307	328 ^a	..	5.5	6.4	..	..	..	..
<i>Building materials</i>										
Cement	Million tons	11.6	13.7 ^a	28.6	0.19 ^c	0.20 ^a ^c	0.85	1.5	1.8	3.8
Lime	Thousand tons	..	..	..	34 ^c	50 ^a ^c	..	821	857	1 780
Bricks	Billion	8.7	10.0	..	0.15 ^h	0.15 ^a ^h	..	0.69 ⁱ	0.81	1.91
Tiles	Million	866	1 048	2 139	45 ^h	48 ^h	..	84.1	90.0	..
Plate glass	Million m ²	54	58	125	0.79 ^c	0.91 ^a ^c	..	11	13	..
<i>Light industries</i>										
Cotton fabrics	Million metres	2 792	2 800 ^a	..	70	73 ^a	148	184	186	..
Woollen fabrics		129	137 ^a	278	6.2	6.5 ^a	13.0	20	19	..
Silk fabrics		373	388 ^a	789	2.5	3.1	6.0	25	26	..
Leather footwear	Million pairs	142	155 ^a	335	1.98 ^l	2.48 ^b ^l	..	12	14	..
Paper	Thousand tons	973	1 031 ^a	..	22.5	23.5	..	91.5 ^c	96.5 ^c	378.3
Soap		645	684 ^a	..	..	..	..	11.0 ^c	11.1 ^c	..
<i>Food industries</i>										
Meat	Thousand tons	615	800 ^a	2 683	46.3	47.7 ^a	104	180	196	418
Lard		225 ^m	239 ^a ^m	586 ^m	2.7	3.9 ^a	..	..	52	..
Butter		7 600 ⁿ	9 500 ^a ⁿ	19 500 ⁿ	2.2	2.5 ^a	..	23	23	55
Milk	Million litres	..	..	..	..	..	..	438	440	..
Beer	Million hectolitres	..	..	..	0.30	0.34 ^a	..	5	6	..
Cigarettes	Billion	103	108	..	2.8 ^c ^j	3.1 ^c ^j	..	4.4 ^c	4.5 ^c	..

Sources : Plans and plan fulfilment reports, statistical yearbooks, monthly and quarterly bulletins. For Hungary also *Gazdasági Függetlő*, 1 August 1957.

NOTE. — For figures for earlier years, see *Economic Survey of Europe in 1956*, Table XXIX, p. A-44.

^a The plan was fulfilled.

^b The plan was not fulfilled.

^c First quarter only.

^d First five months.

^e First four months.

^f t/N.

[Continued on next page]

on the results for the first half-year is clear: compared with the same quarters of 1956, brown-coal output was 7 per cent higher in the first quarter of this year, but only 4 per cent higher in the second quarter.

Despite the improvement in the coal supply situa-

tion in the first half of the year, supply difficulties for both coal and other forms of energy continue to limit the pace of expansion in most countries of the region. In eastern Germany an attempt is to be made to end the present hand-to-mouth distribution of coal to

TABLE 13 (continued)

Production in the Soviet Union and in eastern Europe in the first half-year 1956 and 1957

	Unit	Eastern Germany			Hungary			Poland		
		1956 1st half	1957 1st half	1957 Plan	1956 1st half	1957 1st half	1957 Plan	1956 1st half	1957 1st half	1957 Plan
Mining										
Hard coal	Million tons	1.4	1.3 ^a	..	12.1	9.7 ^a	20.5	47.6	46.7	93.0
Brown coal		101.4	106.9 ^a	216.0				2.4 ^d	2.3 ^{bd}	6.5
Crude petroleum		—	—	—	0.75	0.33 ^a	0.63	0.09	0.09	0.18
Iron ore . . . . .		..	..	..	0.13 ^d	0.10 ^d	..	0.63 ^d	0.74 ^{ad}	1.86
Manufactured gas	Billion m ³	0.94 ^e	0.91 ^{be}	..	0.226 ^d	0.181 ^d	..	0.19 ^d	0.19 ^{ad}	0.41
Coke	Million tons	..	..	..	0.001 ^d	0.030 ^d	..	5.2	5.3	10.4
Electric power	Million MWh	15.1	16.0^a	33.3	2.9	2.4	5.3	9.4	10.1	21.4
Basic materials										
Pig iron	Million tons	0.50 ^e	0.49 ^{ae}	..	0.44	0.31	0.76	1.74	1.83	3.74
Crude steel		1.34	1.42	..	0.86	0.61 ^a	1.32	2.46	2.64	5.37
Roiled products		0.98	1.04 ^a	..	0.403 ^d	0.324 ^d	..	1.61	1.80	3.53
Aluminium	Thousand tons	..	..	..	20.5	9.4 ^a	..	11.1	9.1	18.3
Chemical industry										
Sulphuric acid	Thousand tons	240	259 ^a	..	58	53	..	228	249	390
Nitrogenous fertilizers		152 ^f	159 ^{af}	..	66	38* ^b	..	84 ^f	98 ^f	179 ^f
Phosphorus fertilizers		54 ^g	69 ^{ag}	..	87	83*	..	57 ^g	71 ^g	134 ^g
Caustic soda		235	261	..	7.0	5.7*	..	58.5	65.7	136.6
Building materials										
Cement	Million tons	1.56	1.69 ^a	..	0.54	0.44* ^a	0.86	1.90	2.09	4.20
Lime	Thousand tons	..	..	..	203	207	..	615	759	1163
Bricks	Billion	0.70	0.88	..	0.46	0.54 ^a	..	0.85	0.93	2.77
Tiles	Million	142	165	..	42.6 ^d	34.6 ^d	..	34 ^{jd}	37 ^{ad}	98 ^j
Plate glass	Million m ²	..	..	..	1.48	2.31*	..	9.2	8.9	19.7
Light industries										
Cotton fabrics	Million metres	128 ^k	147 ^k	..	108 ^k	94 ^{ak}	195 ^k	274	285	562
Woolen fabrics . . . . .		..	..	..	11.5 ^k	10.7 ^{ak}	23.5 ^k	38.8	38.0	77.5
Silk fabrics . . . . .		..	..	..	9.7 ^k	8.9 ^{ak}	..	41.1	43.3	82.2
Leather footwear	Million pairs	8.9	9.0	..	5.83 ^l	6.04 ^{bl}	13.0 ^l	13.3	14.8	20.8
Paper	Thousand tons	142.4 ^e	152.6 ^e	..	40.7 ^d	36.3 ^d	..	197.3	200.7	404.4
Soap . . . . .		..	..	..	12.7	14.2	27.2	27.2	28.4	57.0
Food industries										
Meat	Thousand tons	165.2 ^e	181.7 ^e	..	65.3 ^d	53.6 ^d	..	379	415	788
Lard		62.3 ^{em}	55.5 ^{em}	..	27.9 ^d	17.7 ^d	..	26.7 ^m	23.1 ^m	54.5 ^m
Butter		37.4 ^e	35.6 ^e	..	4.9 ^d	3.7 ^d	..	27.6	33.4	66.6
Milk	Million litres	..	..	..	..	..	..	313 ^d	346 ^{ad}	..
Beer	Million hectolitres	..	..	..	1.24	1.18*	2.50	2.5	2.8	5.2
Cigarettes	Billion	5.9 ^e	5.4 ^e	..	6.83	7.31	..	20.0	21.9	44.0

^g P₂O₅.^h Second quarter only.ⁱ *Statistické Zprávy*, No. 1, 1957, gives production of 577 million bricks in the first half of 1956, and *Rudé Právo*, 6 August 1957, gives 688 million.^j Thousand tons.^k Million square metres.^l All footwear.^m Margarine.ⁿ Butter, cheese and other dairy products in terms of milk (excluding collective farm and cottage production).^o Including natural gas.^p Including potassium fertilizers.

industry by building up distributed stocks of coal to a level equivalent to 50 to 60 days' industrial consumption by the autumn — an aim which appears extremely ambitious. In Poland, although stocks of coal and oil were higher at the end of April than at the same

time last year, the estimated deficit of electric power continues to increase, and cuts in supplies at periods of peak demand — affecting mainly the metallurgical and chemical industries — were greater last winter than in 1955/56.

**Estimated electric power deficit in Poland
at times of peak demand**

(In MW)

	1955	1956
Available capacity	2 981	3 160
Peak demand	3 050	3 420
Deficit at time of peak demand	—69	—260

Source: *Przeglad sytuacji gospodarczej*, Warsaw, 1957, p. 39. These figures differ slightly from those published in the *Annual Bulletin of Electric Energy Statistics for Europe*.

Power cuts have also continued to occur in eastern Germany and the planned level of output of electric power was not achieved in the first half of this year.

It is feared in Poland that the power deficit may reach 350 MW by the end of 1957, despite the new construction planned for this year.²¹ In eastern Germany the new capacity installed in the first six months of the year fell well below the planned amount — 171 MW, as compared with 218 MW planned.²² Shortages of electric power are also reported from some regions of the Soviet Union, and in Czechoslovakia it is clear that, despite the relatively satisfactory growth of output of all forms of energy in the first half-year, shortages remain a limitation on the over-all industrial expansion.

Output of crude oil continued to rise rapidly in the Soviet Union and very slowly in Rumania — the two main oil-producing countries of the region. The falling rate of increase of output in Rumania is basically attributable to a decline of exploitable reserves in the old oil-fields, combined with the stagnation of exploitation drilling since 1953 (see Table 14). The new oil-fields discovered as a result of increased exploratory drilling have not as yet much more than compensated for the declining output in the old fields. The entry into production this year of new cracking capacity, however, holds out prospects of an improvement in the quality of supplies of petroleum products in future. There is also evidence of increased efforts to expand supplies of natural gas, and in 1957 construction of new gas pipelines is planned greatly to exceed the 227 km. of new construction in 1956.²³

The Pattern of Production

While fuel and energy supplies present one of the most pressing and intractable problems facing the authorities in most countries of eastern Europe, reports of raw material shortages also remain fairly

²¹ New capacity of 800 MW is planned for 1957, including the delayed completion of some capacity under last year's plan, but it is doubtful whether this amount will actually be installed given the difficulties of the construction industry. Out of 488 MW of new capacity planned for 1956, only 175 MW was installed.

²² *Neues Deutschland*, 17 July 1957.

²³ *Scînteia*, 20 March, 5 June and 12 July 1957, and *Munca*, 14 July 1957.

**TABLE 14
Crude oil production in Rumania**

	Percentage increase over preceding year		Percentage share of exploratory drilling in the total
	Crude oil production	Total drilling	
1951	23.1	25.5	
1952	28.8	6.5	
1953	13.2	6.6	48 ^a
1954	7.5	—14.4	
1955	8.4	8.4	54
1956	3.5	3.5	60
Jan.-June 1957 .	3.0 ^b	2.5 ^c	..

Sources: *Petrol si gaze*, No. 12, 1955, No. 11, 1956 and No. 3, 1957; *Scînteia*, 20 June 1957; *Munca*, 20 June 1957.

^a Average 1950-1955.

^b First quarter increase over first quarter 1956.

^c Increase over same period of 1956.

widespread. In some instances these directly reflect fuel scarcity (e.g., a shortage of bricks in Czechoslovakia, eastern Germany and Poland which might be remedied — in Poland at least — if coal supplies were sufficient to allow the reopening of some relatively inefficient brickworks which had earlier been closed down); in others they reflect a shortage of foreign exchange or failure to achieve the planned pattern of output.

As can be seen from the examples in Table 13, the pattern of plan fulfilment in each country has not been uniform for all sectors of industry. Variations from sector to sector are of course to be expected, but it seems possible that the over-fulfilment of aggregate production plans in some countries of the region reflects to some extent a partial failure as yet to bring about the re-allocation of resources that had been hoped for, including little success in building up stocks of vital materials and semi-manufactures sufficiently to ensure a smooth flow of supplies to processing industries.²⁴ Thus, in Poland, stocks of most materials, though higher than they were a year ago, remain very low in relation to consumption and they fell during the first quarter of the year. This fall may, however, be partly seasonal.

Examples of difficulties in securing the desired pattern of output are widespread. Despite the urgent need to increase exports, deliveries for export of engineering products fell below planned levels in Czechoslovakia, although over-all engineering output was greater than planned and stocks of products for

²⁴ For a discussion of the change of emphasis in the plans for 1957 see Section 5 of the review of current economic developments in Europe in the *Economic Bulletin for Europe*, Vol. 9, No. 1.

which no outlet could be found rose.²⁵ This failure, in turn, was attributed in part to inadequate deliveries of certain types of rolled products by the metallurgical industry, though in this sector also planned levels of over-all production were exceeded. In eastern Germany, engineering exports are similarly falling behind the rapid rate of growth that had been intended this year. This reflects mainly the failure of the engineering industry to keep to the planned pattern and timetable of production.

**Eastern Germany—Plan fulfilment in engineering,
1st quarter 1957**

	Output	Exports	
		Percentage of plan	Percentage of scheduled deliveries ^a
Heavy engineering . . .	98	59	77
General engineering . . .	99	85	91

Source : *Vierteljahreshefte zur Statistik* No. 2, 1957.

^a Deliveries ahead of schedule are ignored in these figures, since failure to fulfil export contracts for one item cannot indefinitely be offset by deliveries ahead of schedule under contracts for some other item.

^b Value of total exports, including advance deliveries, as percentage of the total export value planned for the quarter.

Construction

Thanks partly to the generally favourable weather conditions, over-all construction activity in most countries seems to have risen in the first half of the year at rates fairly close to those of the plans. However, the familiar reports of delays in the completion of projects continue to be widespread, and the plans to step up considerably the rate of dwelling construction within the state investment sector in a number of countries do not seem to have been wholly successful. In Rumania, the number of unfinished investment projects remained very high, more than one-third of those which should have come into operation in the first quarter of the year remaining unfinished. There was also a marked fall in building activity in the second quarter.²⁶ In the Soviet Union the target rate of construction was not reached either over-all or for dwellings alone: the significance of a 36 per cent increase over last year's level in completions of dwellings in the state sector during January/June is difficult to assess, since better weather or a special drive to complete work already started could account for much of the rise. In Czechoslovakia the rate of completion of construction work was particularly unsatisfactory as a result of delays in deliveries from the engineering industries. Total state investment in dwelling construction rose in the first six months by

²⁵ In the first half-year, production plans for particular types of heavy equipment—a high proportion of which should have been exported—were fulfilled only to 65 per cent (*Rudé Právo*, 6 and 7 August 1957).

²⁶ *Scînteia*, 21 June 1957.

1½ per cent as compared with the same months of 1956, but only 8,475 dwellings were completed as compared with over 11,000 in the first half of last year. In eastern Germany completions of dwellings increased by 58 per cent in the first half of this year as compared with the same months of 1956, and the very large stock of unfinished projects was thereby reduced. However, it seems doubtful whether the 81 per cent increase in completions planned for the year can be achieved.

As was mentioned in the last review of economic developments in eastern Europe, most countries of the region have not only placed more emphasis on housing within state investment plans this year, but have also taken steps to encourage private house building. The increased provision for private house building already announced in Poland and Albania has been followed by similar measures in Czechoslovakia, Hungary and the Soviet Union.²⁷ In Czechoslovakia, credit and building materials are to be made available for the private construction of 9,000 family houses in 1957. Shortage of building materials in Poland prevented allocations for building work in the countryside from reaching anything like the planned level in the first four months of the year.

Employment and Unemployment

In all the countries for which estimates are available the proportionate contribution to the expansion of total output made by rising productivity, as compared with employment, seems to have been rather smaller in the first half of 1957 than during last year. Industrial employment has generally risen at least as fast as during 1956; but marked differences still exist between the employment situations of Czechoslovakia and eastern Germany and those of other countries in eastern Europe.

In eastern Germany the long-standing labour shortage continues to be intensified by emigration to western Germany, and the current flow of emigrants is reported by west German sources to be continuing at almost last year's rate of about 20,000 a month. A further factor which may tend to diminish the effective labour supply is the reduction of the standard working week to 45 hours, which has just become effective through a cut of half an hour a day in working hours. However, the fact that piece rates have remained unchanged will mean that most workers have to produce as much in 45 hours as they previously produced in 48 hours if their money earnings are not to fall, and this may tend to maintain total output. In many industries, where raw material or fuel shortages rather than the efforts of individual workers are the

²⁷ See Section 7 below.

main limitations on rates of production, it should not in fact be difficult to absorb this reduction in working time without adverse effects on output.²⁸ In agriculture, it is still difficult to keep young people on the collective farms, where the number of members under 18 years of age fell from 12,468 to 9,709 during the 12 months ended 31 March 1957.²⁹

Although the total increase in industrial employment in Czechoslovakia appears to have been greater so far this year than last, there too the shortage of labour is intense and complaints of maldistribution of manpower have been increasing. For the last two years the two key industrial sectors (mining and construction) have been chronically short of labour with high rates of turnover and absenteeism. The special new inducements now being offered for recruits to coal mining have already been mentioned; the building industry also still finds it impossible to recruit adequate manpower, and labour turnover is high;³⁰ in agriculture, complaints of labour shortage, and of young people leaving the farms, continue. On the other hand, in the first quarter of this year the engineering industry in the Czech lands took on 10,000 new men, as compared with a target of 2,500, and new recruitment of 5,500 employees in the consumers' goods industries resulted in a level of employment 7,600 greater than had been planned.³¹ This last statement (by the Minister of Labour) implies that a net reduction in the labour force of the consumers' goods industries had been intended.

In the other countries of eastern Europe unemployment and under-employment, rather than labour shortage, are a problem which is becoming increasingly apparent. The difficulties in finding work for new entrants to the labour force, which already occurred in Poland and Hungary last summer,³² seem likely to recur this year, and other evidence of heavier unemployment exists although complete statistics are not available. Moreover, Bulgaria experiences similar difficulties.

In May, 13,719 persons received unemployment benefits in Budapest, where it seems that about half

²⁸ In some basic industries, such as mining, the reduction in hours with unchanged piece rates will tend to lower workers' earnings and some improvement of rates has been promised (*Neues Deutschland*, 29 March 1957.)

²⁹ *Vierteljahreshefte zur Statistik der DDR*, Heft 2, 1957.

³⁰ In the first half of 1956 the Czechoslovak building industry lost 80 workers for every 100 new recruits: in the first quarter of this year, for every 100 workers recruited to work in the Czech lands 87 left. A special drive to recruit 3,000 workers from Slovakia by 20 May to work on construction sites in the mining districts and in the mines and metallurgical industries of the Czech lands produced only a little more than half the number hoped for, but additional building workers were recruited from Bulgaria (see below.) (*Stavebnik*, 17 July 1956 and 9 April 1957; *Rudé Právo*, 30 May and 20 June 1957).

³¹ *Rudé Právo*, 20 June 1957.

³² See *Economic Bulletin for Europe*, Vol. 8, No. 2.

of Hungary's unemployed register,³³ and it is now estimated that only some 90 to 100 thousand jobs or other occupations will be available for the 125 to 130 thousand young people leaving schools and universities this summer. The authorities plan special stipend schemes and emergency part-time employment arrangements for the 3,000 ex-students from universities and colleges and the 30,000 school leavers who are expected to enter the "labour reserve".³⁴ The extent of under-employment existing in industry is indicated by the estimates of productivity already quoted, and it is difficult to see how this can be reduced without a further marked improvement in raw material and fuel supplies.

A certain increase in unemployment is known to have occurred in Poland, but reliable data covering all unemployed do not exist. The numbers registered with Labour Offices nevertheless provide some indication of the trend:

Employment situation in some Polish Provinces
as at the end of April

People registered as seeking work

Province	Numbers		Per hundred vacancies	
	1956	1957	1956	1957
Lódz	3 602	4 512	174	299
Kielce	3 813	3 992	119	160
Katowice	4 038	6 391	15	36
Wrocław	1 777	1 798	13	16
Zielona Góra	693	584	20	30
All Poland	38 200	56 600*	..	54
of which women	26 000	36 900*	..	200

* In March.

The figures given above may tend to exaggerate the number of jobs available per unemployed worker; even so, the lack of employment opportunities for women seeking work is striking, as is the uneven geographical distribution of unemployment and of vacancies. The shortage of housing, among other causes, makes it difficult for workers to move to areas where jobs are available.

Two special factors are likely to add to the difficulties on the Polish labour market this year. First, administrative staffs — already reduced by 20,000 in 1956 — are expected to release a further 83,000 persons for other employment this year; secondly, repatriation of Poles from the Soviet Union in 1957 is expected to

³³ *Népszabadság*, 5 July 1957. A survey carried out by the Central Statistical Office showed that during March and April 39,826 out of a total of 74,556 registrations of unemployed were in Budapest (*Statisztikai Havi Közlemények* No. 4, 1957, pp. 20 and 21).

³⁴ See *Népszabadság*, 22 and 27 June and 6 July 1957.

add about 120,000 to the population. Furthermore, the normal influx into the labour market of young people leaving professional schools this summer amounts to about 120,000, complicating an already pressing problem of juvenile unemployment.³⁵

One new feature in the eastern European scene is that in Bulgaria temporary emigration seems to be playing some part in lessening an increasingly serious volume of unemployment deriving in part from the effects of collectivization of agriculture, a cutting back of administrative staffs and recent cuts in investment programmes which have produced idle capacity in the

³⁵ It is estimated by the Economic Council that already, in the towns alone, about 250,000 young persons in the 14-18 age group are neither at school nor at work. However, some of these young people cannot be regarded as being in search of employment and are below the age at which they can legally be employed (*Przeglad sytuacji gospodarczej*, Warsaw 1957).

building industry. It is estimated that about 10,000 young people will go to the Soviet Union this year to work for three years in the cotton fields of Uzbekistan and on building sites and in mines throughout the country; and in June 4,000 building workers went to construction work in the mining areas of Czechoslovakia. In the absence of official statistics it is difficult to judge the importance of these movements in relation to total unemployment in Bulgaria, but they can hardly be very significant. Other remedial measures contemplated by the Bulgarian Government include an intensification of agricultural production, one aspect of which—increased fruit exports to the Soviet Union, Czechoslovakia and eastern Germany under long-term agreements—was referred to in the previous review.³⁶

³⁶ See the *Economic Bulletin*, Vol. 9, No. 1, p. 37.

5. AGRICULTURE IN THE SOVIET UNION AND EASTERN EUROPE

Harvest Prospects

Few quantitative estimates either of the area sown or of prospective yields are yet available but in general there are expectations of average or good harvests throughout the region. In the Soviet Union grain crops are said to be doing well in most areas, but bad weather has adversely affected the prospects for cotton. The total sown area again increased somewhat, with an additional 1½ million ha. under grain and increases also in the area under sugar beet, potatoes, vines and orchards. In the virgin lands it is feared that delays in construction of grain stores may once again cause serious losses such as are now reported to have occurred after last year's harvest.³⁷

In Bulgaria, heavy rains and hail storms in July and August damaged crops, but nevertheless an "average" harvest is predicted; and progress is reported in expanding the area under intensive crop production—vegetables under glass, orchards, etc. Harvest prospects are as yet uncertain in Czechoslovakia, but damage due to bad weather in July has been reported. The total sown area has increased by 112,000 ha. since 1954, as compared with 200,000 ha. planned. The area under bread grain rose by 23,000 ha. this year while 19,000 ha. fewer than last year were planted to fodder crops. In eastern Germany the area under grain has diminished this year but an average harvest is expected.

Prospects seem most favourable in Poland and Rumania. Expectations in Poland, indeed, are of good crops both of grain and potatoes for the first time in

several years. "A bumper crop of wheat, rye and barley" is predicted in Rumania, surpassing even that of the previous record post-war year—1953³⁸—and output of vegetables is expected to be double last year's level. The maize area in Rumania this year is the largest in ten years, and approaching the pre-war size.

The bread-grain harvest in Hungary is expected to be only slightly less than that of last year, though some half-million tons below the average of the seven preceding years, and with the normal yields now expected the maize crop will be much larger than in 1956 following reports of an extension of sowings. As can be seen from the figures in Table 15, the sharp reduction in obligatory deliveries of bread grain means that the supplies automatically flowing from the farms through state trading channels this year will be less than half as great as in 1955. The Hungarian authorities appear to be understandably cautious in their estimates of the extent to which contractual and free purchases can this year replace obligatory deliveries, and a very considerable increase in net imports is envisaged. Looking farther ahead, it seems that the authorities will need to hold larger stocks than in the past, in order to ensure supplies at stable prices to the non-farm population in circumstances in which farmers have the possibility of holding stocks off the market for a period if they expect prices to rise. To build up adequate state stocks in present conditions could clearly involve a further heavy import bill for bread grain next year.

³⁷ *Pravda*, 26 June 1957.

³⁸ *Agerpres*, 15 July 1957. Wheat production in 1953 was 4 million tons.

TABLE 15

Balance of supplies and end-uses of bread grain in Hungary,^a 1955 and plan for 1957

Thousands of tons

	1955	1957 Plan
<i>Supplies</i>		
State farms	278	249
Obligatory deliveries or land tax . . .	923	161
Payments in kind for services	235	223
Contractual and free purchases	22	55
Total current home supplies	1 458	688
Opening stocks	223	366
Imports	361	553
TOTAL SUPPLIES	2 042	1 607
<i>End uses</i>		
Home consumption	1 405	1 321
Exports	245	—
End-year stocks	392	286

Sources : *Közgazdasági Szemle*, No. 6, 1957, pp. 590 and 623; *Statisztikai havi Közlemények*, No. 5, 1957, p. 41.

^a All figures exclude grain retained for use on farms.

Animal Products

In the Soviet Union, deliveries of milk to the state trading network are reported to have been 25 per cent greater in the first half of this year than in the same months of 1956 and deliveries of meat are stated to have risen by 38 per cent. The reported increases in production are 26 per cent for milk and 30 per cent for meat. Better feeding, as a result of last year's record harvest and better grazing in the early months of this year, have probably contributed to the rise in milk production, and the number of cows in co-operative and state ownership is reported to have increased by 6 per cent during the 12 months ending 1 July 1957. The corresponding increase for all cattle in co-operative and state ownership is 8 per cent, and for pigs 21 per cent.

The reported increases in meat output are surprisingly large when viewed in conjunction with the corresponding increases in livestock numbers. A rise in the average slaughter weights could hardly be sufficient to raise meat output by 30 per cent in one year, and it may be that the reported figures for state and collective farm stock in fact give an inflated impression of the rise in the total livestock population. However, no certain explanation can be offered on the basis of the data now available.

The rates of growth of output of animal products in the Soviet Union during the last year would be of particular interest in view of the aim announced

by Mr. Khrushchev of overtaking the current per capita levels of output of milk, butter and meat in the United States "in the next few years".³⁹ The Minister of Agriculture has subsequently stated that this target for milk production can be hit next year and that it would imply a 40 per cent rise on the 1956 volume of output.⁴⁰ Mr. Khrushchev himself has said that the desired level of meat production (3½ times the current volume) can be attained by 1960, or at latest 1962. He stated that pig numbers in the Soviet Union already equalled those of the United States, but that a doubling of the average slaughter weight would be needed to bring total pig-meat production to the United States level, and that beef production could reach the target "in a few years" with an 8 to 10 per cent annual increase in numbers and improved fattening and general care. Elaborating on these plans, Mr. Khrushchev said that beef production had to be raised from the current rate of 2.2 million metric tons to 7.2 million tons, pork production from 2.6 million tons to "up to 10 million tons" (5 million tons of which would result from a increase in numbers) and that total meat production had to rise to between 20 and 21 million tons.

Meat production in the United States in 1956 was just over 12 million tons, and a continuing rise in production up to 1962 at the same rate as in the preceding six years would raise this figure to about 16 million tons: an equivalent per capita level of output in the Soviet Union would then be of the order of 20 million tons.

To raise output of beef and pork even by 1962 at the rate foreseen by Mr. Khrushchev appears a formidable task. It seems to imply an increase in the average slaughter weight of beef cattle of around 40 to 50 per cent over six years, assuming that numbers rise as predicted, while to double both average slaughter weights of pigs and the pig population (or the annual slaughterings) in six years also seems an ambitious aim.

In the eastern European countries, the available data generally show increases in deliveries of animal products this year as compared with the first half of 1956. The increase in meat deliveries in eastern Germany is, however, to some extent illusory, since it results in part from a change in the timing of deliveries in the winter of 1955/56. According to the plan fulfilment report, cattle and sheep numbers in Czechoslovakia have fallen this year although the plan for 1956 to 1960 calls for a rise of 10 per cent in cattle numbers. Elsewhere, deliveries seem to have been expanding fairly steadily except in Hungary (see Table 16).

³⁹ See *Pravda*, 24 May 1957, and the text of a speech by Mr. Khrushchev on 2 June 1957.

⁴⁰ *Pravda*, 12 July 1957.

TABLE 16

Deliveries^a of animal products in the Soviet Union and some eastern European countries

	Unit	1956	1957	Index numbers (corresponding period of 1956 = 100)
<i>Soviet Union</i>		Jan.-June	Jan.-June	
Meat . . . . .		..	..	138
Milk . . . . .		..	..	125
Eggs . . . . .		..	..	135
<i>Czechoslovakia</i>		Jan.-June	Jan.-June	
Meat	Thousand tons	313	336	107
of which :				
Beef		133	144	108
Pigs		157	168	107
Milk	Million litres	915	934	102
Eggs	Million pieces	737	873	118
<i>Eastern Germany</i>		Jan.-April	Jan.-April	
Meat ^b	Thousand tons	267	293	109
of which :				
Pigs		194	212	109
Milk	Million litres	1 028	1 012	98
Eggs	Million pieces	454	676	149
<i>Hungary</i>		Jan.-May	Jan.-May	
Beef	Thousand tons	77	81	105
Pigs		101	78	77
Poultry		5.7	3.5	61
Milk	Million litres	211	174	82
Eggs	Million pieces	306	255	83
<i>Poland</i>		Jan.-June	Jan.-June	
Beef	Thousand tons	147	166	113
Pigs		373	403	108
Milk	Million litres	1 183	1 384	117
Eggs	Million pieces	859 ^c	1 026 ^c	119

Sources : Plan fulfilment reports; *Statistische Praxis*, Nos. 3 and 6, 1957; *Statistikai havi Közlemények*, No. 5, 1957; *Buletyn Statystyczny*, No. 6, 1957.

NOTE.—Meat deliveries are given in terms of live weight throughout.

^a In all countries except Hungary, practically all sales off farms pass through state channels, but for Hungary the figures in the table greatly exaggerate the decline in total sales.

^b Deliveries in October-December 1955 were 291.3, and in October-December 1956 were 255.3 thousand tons.

^c January-May.

Co-operative Farming

The contrast in policies towards collectivization between Poland and Hungary on the one hand, and other countries in eastern Europe on the other, is now very marked, and is illustrated by the figures in Table 17. In Hungary, the Government has undertaken to accept — for the time being, at least — the dissolution of about one-third of the co-operative farms existing last September and the withdrawal of about half the total membership, and in Poland more dissolutions of some of the remaining co-operative farms may occur after the harvest. By contrast, as was noted in the last review, the collectivization campaign has been intensified in Albania;

and continued encouragement to the formation of co-operative farms has increased the degree of collectivization in Czechoslovakia and Rumania also.

In Czechoslovakia, the formation of co-operative farms continues to be encouraged by more favourable treatment of co-operative than of private farms in allocation of fertilizer, investment help, etc.⁴¹ In

⁴¹ *Úřední List* of 25 June 1957 published the tariff of the machine tractor stations, which showed that the charges for all work performed by MTS are twice as high for private farmers as for members of co-operative farms. This difference is not, of course, necessarily out of line with the difference between the cost of work done on the relatively small private farms and the larger co-operative units.

TABLE 17
Co-operative farms in eastern Europe
End-of-month figures

	Number of co-operative farms (Thousands)		Number of members (Thousands)	Area ^a of co-operative farms (Thousand hectares)		
	Advanced type farms	Total		Total	Advanced type farms	Total
<i>Bulgaria</i>						
1955 December	2 735 ^b		..	2 582 ^b		63
1956 December	3 100 ^b		..	3 521 ^b		78
<i>Czechoslovakia</i>						
1956 June	7 832 ^c		386	2 184 ^c		29.8
December	8 016 ^c		395	2 236 ^c		30.5
1957 June	8 553 ^c		421	2 347 ^c		32.0
<i>Eastern Germany</i>						
1956 June	5 211	6 273	219	1 372	1 463	22.6
December	5 260	6 281	220	1 413	1 501	23.2
1957 March	5 352	6 268	219	1 464	1 540	23.8
<i>Hungary</i>						
1956 September	3 907	4 857	343	988	1 124	20.8
December	1 617	2 089	119	391	458	8.5
1957 March	2 536	3 403	157	501	622	11.5
<i>Poland</i>						
1955 December	9 790 ^b		205	1 867 ^b		8.8
1956 September	10 203 ^b		228	2 009 ^b		9.3
1957 March	1 752 ^b		31	237 ^b		1.2
<i>Rumania</i>						
1955 December	2 155	6 610	..	903	1 301	9.5
1956 December	2 564	10 709	..	1 073	1 844	13.3
1957 May . . . . .	..	..	..	..	2 478	17.1

Sources: *Economic Survey of Europe in 1956*, Plan fulfilment reports, *Statistické Zprávy*, No. 2, 1957, *Statistische Praxis*, No. 5, 1957, *Statistická havi Közlemények*, No. 4, 1957, *Biuletyn Statystyczny*, No. 6, 1957, *Scintela*, 19 June 1957.

^a Agricultural area; for Hungary arable area.

^b Total registered co-operative farms.

^c Types III and IV.

Rumania, the spread of co-operative farming seems to have been very uneven, with the Constanța region now fully collectivized and the Galați region now approaching that state. However, no information is as yet available on the relative increases in recent months in different types of co-operative. Since 1954,

progress in collectivization has been due mainly to the formation of the looser types of co-operative; and there has recently been considerable criticism of the tendency for such co-operatives to ignore obligations on their members for work in common and for the creation of common funds.

6. PERSONAL INCOMES AND EXPENDITURES IN EASTERN EUROPE

In discussing the plans for 1957 in the last issue of this *Bulletin*, it was noted that in 1957 aggregate personal incomes were expected to rise above the 1956 level in money terms by about 13 per cent in Poland, by roughly the same order of magnitude in Rumania, by 8.9 per cent in eastern Germany, and by nearly

20 per cent in Hungary.⁴² Since then, it has become apparent that an increase of about 12 per cent in personal incomes after tax is expected in Bulgaria

⁴² See the review of "Current Economic Developments in Europe" and "The Hungarian Economy in the Spring of 1957", *Economic Bulletin for Europe*, Vol. 9, No. 1.

(see Table 18), as compared with a planned rise in the volume of retail trade turnover of 9 per cent, and that a similar increase — about 13 per cent — is planned for Czechoslovakia.⁴³

Some upward pressure on prices might reasonably have been expected in several of these countries this year; but, although signs of strain are beginning to appear, there is little evidence of significant price increases as yet.

Money Incomes and Savings

Generally in eastern Europe, it seems fairly clear that larger food supplies and successful attempts to increase supplies of other consumers' goods — and in some cases of producers' goods for the farm population also — have played the major part in preventing serious pressure on price levels so far this year, though in Hungary and Poland especially at the cost of a rising import bill. More recently, the restoration or reinforcement of control over the rate of growth of wages and other incomes has also been an important factor, and increasing savings have also made some contribution to stability.

The rise in money incomes in these countries during the first half-year has been more or less at the rates earlier expected, though in Poland especially there has been a further shift in income distribution in favour of the farm population. Farm incomes rose faster than had been foreseen, as a result both of larger sales and of higher average prices linked with the falling share of obligatory deliveries in the total.⁴⁴ But in Poland and elsewhere, the growth of wage and salary incomes is now being effectively checked; and in Poland, wage payments in May were somewhat below the planned level.

The growth of average per capita earnings in industry in Hungary had been halted by the middle of the year,⁴⁵ and in mid-July the Government restored by decree the system of piece rates which workers' councils had generally replaced by time rates after the events of October. Piece rates are now to be reintroduced wherever individual performance can be exactly measured, and wages in kind have already been reduced.

In eastern Germany, the introduction of the 45-hour week (mentioned in Section 4) has already slowed down the rise in incomes of industrial workers, which were only 3 per cent higher in the first six months of this year than in the same months of 1956, although industrial productivity rose by 5 per cent. The

⁴³ Plan for 1957.

⁴⁴ Income from sales of agricultural produce was 47 per cent higher in the first four months of this year than in the same months of 1956. Some part of this rise may, of course, be due to seasonal influences.

⁴⁵ Average per capita earnings of industrial workers in June were the lowest of any month this year.

TABLE 18
Aggregate personal incomes in Bulgaria
Millions of current leva

	1956 (Preliminary)	1957 Plan	Percentage change
Farmers' incomes	3 864	4 649	+20
Industrial wage and salary bill	11 192	12 063	+8
Other incomes ^a	2 706	3 048	+13
 Total personal money incomes	17 762	19 760	+11
Less taxes on persons . . .	1 150	1 164	+1
Plus credits to persons . . .	102	200	+96
 TOTAL . . .	16 714	18 796	+12

Source : *Finansy i Kredit*, No. 5, 1957, and Budgets.

^a Residual.

over-all rise in money incomes has so far been as foreseen in the plan for 1957, and the rate of increase will fall in the second half of the year if no new factors intervene.

A reduction in unit costs of production — by 2 per cent below the level of the first half of 1956, though by rather less than was planned — is also reported from Czechoslovakia; nevertheless, complaints that wages are outstripping the growth of productivity in some sectors, especially energy and engineering, have multiplied this year. In April, the Government accordingly decided on a reform of the wage system which will tend to simplify the existing systems of premia, bonus payments, etc., while making it more difficult for enterprises to increase wage payments without complementary increases in productivity.

The levelling off of the rise in money incomes that seems likely in the second half of this year should tend to ease pressure on supplies and prices: it remains to be seen whether the rise in savings, which appears to have offset a part of the rise in incomes in the earlier months of the year, will continue. The relevant quantitative data by which to judge the growth of personal savings are scanty, but such as exist are reproduced in Table 19. The rate of increase in savings deposits in Poland this year is considerable, and suggests that there has been a substantial increase in temporary savings which may be spent when the physical assets desired are available. In the other countries also, some part of the rise in savings probably represents money that could not be spent for lack of suitable goods, rather than voluntary abstention from consumption.

Some part of the recent growth of note circulations⁴⁶ has probably also been absorbed by saving in the form of cash holdings — kept in liquid forms so that no

⁴⁶ The note circulation is known to have risen fairly steeply recently in Poland, though no quantitative data are available.

TABLE 19
Increases in savings deposits and bank note circulation in four countries

	1953	1954	1955	1956	1957 1st half
<i>Eastern Germany</i>					
Savings deposits at end of periods (in billions of DM)	2.5	3.7	4.9	6.3	7.0
Note circulation in June (index numbers-June 1953 = 100)	100	121	128	128	150
<i>Hungary</i>					
Savings deposits at end of period (in millions of forints)	408	588	731	580 ^a	920
Note circulation (index numbers-June 1953 = 100)	100	..	..	257	246 ^b
<i>Poland</i>					
Savings deposits at end of period (in millions of zlotys) . . . . .	..	754	1 277	2 233	3 566 ^c
<i>Czechoslovakia</i>					
Savings deposits (increase during the period in millions of Kčs) . . . . .	..	1 148	1 630	2 538	2 300

Sources : *Statistisches Jahrbuch, 1956* and various issues of *Die Wirtschaft, Közgazdasági Szemle*, No 11-12, page 1321, *Gazdasági Folyóirat*, 28 March 1957, *Népszabadság*, 11 May and 4 June 1957; *Buletyn Statystyczny*, No. 6, 1957; *Statistické Zprávy*, No. 2, 1957; *Rude Právo*, 6 August 1957.

^a On 23 October: 1,107 million forints.

^b End April.

^c End May.

chance may be missed of buying some of the restricted supplies of durable consumers' goods or of agricultural equipment, etc. available.

Although the increases in savings deposits shown in Table 19 are relatively large, the absolute amounts of deposits now in existence remain small in relation to the flow of current incomes in both Poland and Hungary. Total savings deposits in each of these countries are equal to less than 2 per cent of the aggregate personal incomes estimated for 1957. In eastern Germany, on the other hand, total savings deposits are equivalent to about 15 per cent of total personal incomes in 1957.

A further factor — besides higher saving — that has helped to keep a part of the greatly increased farm income in Poland out of the market for goods and services is the possibility for peasants to buy land. Sales of land by the State have been considerable, and some 500,000 acres more are to be earmarked for sale next year. Outside the western and northern areas of the country, land prices in the first half of the year were about one-third higher than in the same period of 1956.⁴⁷

Retail Sales

From the supply side, satisfactory sales of farm produce in most countries except Hungary (as shown

in Table 16), together with higher food imports in both Hungary and Poland, have so far helped to meet the demand generated by rising incomes,⁴⁸ and supplies of consumers' durable goods have also been increasing as compared with last year's levels, though the absolute quantities available are in many cases still very small (see Table 20). In Czechoslovakia, the plan fulfilment report for the first half-year states that retail sales were 14 per cent greater in volume during the first six months of 1957 than in the same months of last year, and that sales of foodstuffs rose in real terms by 12½ per cent, and sales of consumers' durable goods by 15 per cent.

The success of the authorities in Hungary and Poland in matching supplies available in retail trade to the rise in incomes this year is illustrated by the figures in Table 21. Increased production of farm equipment and fertilizers has probably also helped to absorb some of the increase in farm incomes in Hungary and Poland, although in Poland — as has already been mentioned — supplies of building materials to the countryside did not rise as fast as had been hoped. Elsewhere, the picture is not clear, and Table 20 shows little evidence of a marked increase in deliveries of farm equipment in other countries.

Prices

For Hungary, the figures in Table 21 conceal a change in the situation in the course of the period covered. In the first quarter of the year, the rise in incomes was tending to outpace the expansion of supplies of goods; but the rate of growth of farm incomes was curbed to some extent by price reductions

⁴⁷ The readiness of the peasants to buy livestock also is reflected in the changes in prices since last year:

Average prices in Poland in zloty

	June 1956	June 1957
Working horse	4070	8196
Year-old horse	1768	3477
Cow	4156	4636
Piglet	262	316

Source : *Trybuna Ludu*, 10 August 1957.

⁴⁸ But shortages of meat and butter nevertheless occurred in April and May in Poland.

TABLE 20

Production and home market supplies of consumers' durable goods and agricultural machinery in eastern Europe in the first half of 1956 and of 1957

Country	Unit	Production					Sales		
		1956 First half	1956 Whole year	1957 Plan	1957 First half	Index (First half 1956 = 100)	1956 First half	1957 First half	Index (First half 1956 = 100)
<i>Bulgaria</i>									
Wireless sets	Thousand	43.9	92.0	..	51.6 ^a	118	..	..	123 ^b
Tractor cultivators . . .	Units	668	1 882	..	901 ^c	135	3 283 ^d	1 335 ^d	41
Tractor ploughs		1 093	3 374	4 496	1 401 ^a	128			
<i>Czechoslovakia</i>									
Motor-cars	Thousand	11.7	25.1	35.2	16.7	143	4.7	7.8	167
Motor-cycles		54.4	112.0	134.9	69.2	127	28.1	40.3	143
Television sets		14.5	40.1	80.2	41.3	285	16.6	42.7	257
Domestic refrigerators .		28.2	58.1	64.2	32.2	114	20.9	40.1	192
Dom. washing machines		113.6	253.5	295.8	150.1	132	111.7	149.6	134
Agricultural machinery	Million kčs.	320	704	801	365	114	..	..	..
Tractors	Thousand	8.48	18.00	21.01	10.52	124	2.94 ^e	1.72 ^e	58
<i>Eastern Germany</i>									
Motor-cycles	Thousand	35.7	68.3	..	36.9	103	..	..	..
Television sets		18.2	55.4	..	39.3	216	..	..	..
Domestic refrigerators		10.7	23.9	..	11.7	110	..	..	..
Agricultural machinery	Million DM.	105.9 ^f	379.4	..	88.5 ^f	84 ^f	..	..	..
<i>Hungary</i>									
Motor-cycles	Thousand	12.3 ^g	28.3	..	12.7 ^g	103 ^g	12 ^{gh}	14 ^{gh}	118 ^g
Bicycles		92.2 ^g	187.0	..	75.7 ^g	82 ^g	79 ^{gh}	96 ^{gh}	121 ^g
Wireless sets		175.2 ^g	306.7	368.0	171.4 ^g	98 ^g	164 ^{gh}	156 ^{gh}	95 ^g
Wheeled tractors . . .	Unit	1 356 ^g	2 052	..	243 ^g	18 ^g	..	..	..
Caterpillar tractors . .		293 ^g	876	..	333 ^g	114 ^g	..	..	..
Combine harvesters . .		640 ^g	1 476	..	322 ^g	50 ^g	208 ^{gh}	—58 ^{ghi}	..
<i>Poland</i>									
Motor-cars	Thousand	2.98	5.77	11.0	4.25	142	..	..	..
Motor-cycles		20.75	45.52	62.0	27.83	134	21.4	34.0	159
Wireless sets		199.2	498.7	600.0	329.1	165	211.5	355.8	168
Grain combines	Unit	248 ^g	662	500	312 ^{ag}	126 ^h	..	..	..
Harvesters	Thousand	2.14 ^g	605	12.00	3.21 ^{ag}	150 ^h	1.4 ^f	2.0 ^f	141 ^f
Binders		1.76 ^g	6.20	8.00	3.31 ^{ag}	188 ^h	0.9 ^f	1.9 ^f	223 ^f
Horse-driven mowers .		3.06 ^g	..	18.00	5.49 ^{ag}	179 ^g	1.9 ^f	3.2 ^f	164 ^f
Tractors		3.80	8.51	6.60	3.70	97	..	..	..

Sources: Plan and plan fulfilment reports and direct communication from the Polish Government.

NOTE: In the last three columns the figures for agricultural equipment represent total supplies to agriculture. For figures for the production in earlier years, see *Economic Survey for Europe in 1956*, Table XXVII, P. A-42.

^a Plan has been fulfilled.

^b First quarter 1956 = 100.

^c Plan has not been fulfilled.

^d Tractors in terms of 15 h.p. units.

^e In terms of 10-90 h.p. units.

^f First four months only.

^g First five months only.

^h Estimated from production and foreign trade statistics. No import figures are available for 1956 but imports were probably negligible. Imports in the first 5 months of 1957 have been assumed equal to five-sixths of the rate in the first half-year.

ⁱ Decrease in stocks.

in late March, and the tightening of control over wages in April that has already been mentioned brought the rise in wage incomes to a halt in May. In addition, some price increases were imposed in May, as was noted in the last *Bulletin*. These affected mainly meals in factory canteens and restaurants, drinks, costs of holidays, less essential consumers' goods and building materials.

In Poland, the price index for goods purchased by urban workers' families shows a rise of 2 per cent since

the last quarter of 1956, and the index of prices paid by farmers has risen in the same period by 5 per cent as a result of the higher prices of fertilizers, building materials and machinery. However, the increase in supplies of consumers' durable goods already referred to was quite insufficient to satisfy demand at the official prices, and a black market showed signs of developing. The Government reacted to this in July by increasing the official prices for many of these goods, and more recently the tax on vodka has also been raised.

TABLE 21
Money incomes and retail sales in Hungary and Poland in 1956 and 1957
Billions of national currencies at current prices

	Hungary			Poland		
	January to May 1956	Index 1956 = 100	January to May 1957	Index 1956 = 100	January to May 1957	Index 1956 = 100
<i>Centrally financed money incomes</i>						
Wages and other personal incomes	15.1	17.6	117	33.0	42.3	128
Purchases of and advances on farm produce . . .	3.0	3.9	130	8.9	13.1	147
Total	18.1	21.5	119	41.9	55.4	132
Sales in State and co-operative trade	17.4	19.4	111	40.8	53.0	130
Percentage ratio	96	90		97	96	

Sources : *Statiszika havi Közlemények*, No. 5, 1957, p. 1; *Zycie Gospodarcze*, No. 27, 1957, p. 2.

Elsewhere, there is little indication of any noticeable increases in prices, and some reports of price reductions. In Czechoslovakia, the over-all index of retail prices fell in the first half of this year to 4 per cent below the level of the first half of 1956, and food prices fell by rather more than this.

Little information on developments in Bulgaria and Rumania is yet available; but in Bulgaria prices of foodstuffs in co-operative markets were reported to be below last year's levels in the early months of this year. In Rumania, on the other hand, no information yet exists on price changes since the end of last year — when free market prices of food were rising. Food production prospects now seem favourable, but the new system of contracts which has replaced compulsory deliveries in Rumania seems not to have had the expected success.⁴⁹ This suggests that farmers may be expecting higher prices in the free market; reports of special efforts being made to increase supplies of

consumers' goods to rural areas — and so, presumably, to encourage farmers to increase their sales of foodstuffs — tend to confirm this impression.

The policies adopted in Hungary and Poland, of deliberately raising prices of less essential goods, can be a fairly effective method of mopping up excess purchasing power without causing the hardship and discontent inseparable from any significant rise in basic living costs. But their scope is limited while supplies of these goods remain small. A steady flow of imports of foods, consumers' goods, and materials for their manufacture will be a vital factor in the maintenance of price stability in both Hungary and Poland in the remainder of this year, even if further increases in incomes are avoided. The fall in stocks of raw wool and raw cotton in Poland, already mentioned, is a somewhat disturbing feature of the scene in that country, as is the fact that the rate of expansion of the output of light industry has so far been rather slower than that of heavy industry.

⁴⁹ *Scintea*, 3 July 1957.

7. CHANGES IN ECONOMIC PLANNING AND MANAGEMENT

The Soviet Union

In the Soviet Union, the recent disputes about basic issues of economic policy seem to have delayed the promised revision of the Sixth Five-Year Plan,⁵⁰ but a new housing programme for the period has just been announced.⁵¹ The targets which have been set, as the preliminary stages of a programme with the announced intention of eliminating the housing shortage within ten or twelve years, imply a rapid rise in the rate of dwelling construction. This may well

reflect some switch of resources away from industrial building and other construction; but no revised plans for this sector are yet available.

	1957	1958	1959	1960	Average annual rate 1951-1955
	(Million square metres)				
State dwelling construction	34	42	51	60	21.1
Private construction	13	19	29	41	7.8

Special attention is to be given to rural housing: 4 million dwellings are to be built during the period, as compared with 2.3 million during 1951 to 1955.

The process of industrial devolution, plans for which were described in the last *Bulletin*, has resulted

⁵⁰ The original plan targets for 1960 have been omitted from the latest issue of the Statistical Yearbook and nothing put in their place.

⁵¹ *Pravda*, 2 August 1957.

in the setting up of 105 regional economic councils, which are now preparing their economic plans for 1958. In the agricultural sector, the trend away from compulsory deliveries common to most other countries of the region has been continued by a decision in the Soviet Union to free collective farmers, factory and office workers, etc. from obligatory deliveries from their private plots. It is argued that these supplies by now form an unimportant share of total state procurements; for example, they were expected to contribute only 10 per cent of state procurement of meat in 1957, against 23 per cent five years ago, and only 7 per cent of milk, against 31 per cent in 1952.

Eastern Europe

In Poland, a revised plan for 1956 to 1960 has been voted by the Seym, but too few details are as yet available to make a detailed assessment possible. In eastern Germany, however, it is now clear that no complete formal revision will be made of the original long-term plan for 1956 to 1960, though individual targets will be set for some sectors.

A new Economic Council in eastern Germany has been entrusted with the task of re-thinking economic planning methodology, but it is not expected to produce ideas before 1958. Meanwhile, however, a little more flexibility has been introduced into investment planning by a decision allowing enterprises to decide, from 1958 onwards, on the allocation of their amortization funds between capital repairs, replacements and reconstruction. In addition, a new decree has changed the methods of allocating funds for paying premia between enterprises; so that, while still linked with plan fulfilment, the distribution to any enterprise is no longer rigidly dependent on 100 per cent fulfilment of the production plan.

Some changes in the direction of a decentralization of economic planning and management have also been announced in Czechoslovakia, where local authorities will in future assume greater responsibility for the drawing up of regional plans for agriculture and for the management of road transport and other services. Changes in the system of marketing of farm produce are also planned, to take effect in 1958, and will result in the abolition of obligatory deliveries for a few crops (mainly vegetables and oilseeds) and a new system of contracts for sugar beet and technical crops.

The increasing departures from old methods of rigid central planning and management which have been announced in recent months were intended to help to restore more rational patterns of output in eastern Europe and, with the general scaling down of over-all output targets and increased attention to foreign trade, to allow for the gradual widening of bottlenecks through increased output of basic mate-

rials and building up of stocks at all stages of the production process. It has been suggested earlier that the maintenance of over-all industrial output this year at levels greater than had been planned in most countries may have been achieved partly as a result of a partial failure to change patterns of output in the desired direction. The question arises whether, under present systems of economic management in eastern Europe at the enterprise level, rapid shifts in the pattern of resource allocation can be regarded as attainable objectives.

Essentially, the problem seems to be one of devising the right criteria by which the success of enterprises can be judged and then of establishing the appropriate incentives (or controls) to influence the behaviour of the managers of individual enterprises. As long as the success of the individual manager is measured mainly by reference to the gross output of his enterprise, any attempt to build up stocks of semi-manufactures at all stages of fabrication runs to some extent counter to the automatic incentives influencing him. Similarly, the measurement of success in terms of gross output gives no incentive to economize in use of materials bought in from outside the enterprise — in fact, rather the reverse.⁵² Changes in patterns of production which involve an actual reduction in the labour force in particular branches of industry must likewise be difficult to achieve — without central control over labour recruitment — when enterprises' wage funds, and the rewards of managers, are automatically increased by rising output. Moreover, changes in design or quality of products seem likely to be adopted reluctantly unless they can be expected quickly to show greater profits for the enterprise. Unfortunately, it seems that maximum "profitability" or "success" of an enterprise as now measured is not always synonymous with an optimum level or pattern of production from the point of view of the economy as a whole.

The questions how to establish criteria for judging "success" and how to provide systems of incentives which give more encouragement to enterprises to follow policies most in conformity with national needs, have long been a subject of earnest debate in several countries of eastern Europe. Until answers can be found, it seems likely that the conflicts of interest of the kind described above will continue to complicate any attempts — difficult enough in any economic system — to make significant changes in patterns of resource allocation without either waste of resources or inflationary strains.

⁵² To change to a measurement of success in terms of output on a "value added" basis would, of course, not be sufficient to provide appropriate incentives for managers in all circumstances. It might, for example, encourage a wasteful use of labour and excessive fabricating.

RECENT DEVELOPMENTS IN TRADE BETWEEN EASTERN AND WESTERN EUROPEAN COUNTRIES

1. INTRODUCTION

During 1956 the value of trade between eastern and western European countries¹ increased by a further 20 per cent and, in contrast to the developments in preceding years,² exports of both areas registered the same rate of growth. During the early months of the current year east-west trade increased at a somewhat faster rate than in 1956. Price changes during 1956 were relatively small and had no significant effects on the terms of trade. Prices of grain and other foodstuffs exported from eastern Europe followed the declining world market trend, and this was also true of timber prices. Coal and petroleum prices, on the other hand, increased, as did those of capital goods, including materials for such goods. In the case of materials for light industries, as well as for products of such industries, the price trend was either stable or declining. All in all, there occurred a price increase of about 2 per cent for exports from western Europe. The greater increase in eastern European export prices shown in Table 1 is due to a significant rise in fuel prices, but partly also to the fact that the index is based on c.i.f. value, and that maritime freight rates rose very much during the last few months of 1956.

The result of the increase in east-west European trade in 1956 was that this trade reached a new post-war peak but, as Table 1 indicates, the pre-war volume is still far from being attained. The volume of western European exports, however, is now about four-fifths of the 1938 level while eastern European exports have still reached only slightly over half this level.

One of the motive forces behind the expansion of east-west European trade in 1956 and other recent years has been, on the eastern European side, the urgent need for increasing amounts of imported goods, the range of which varied according to the priorities

given in those countries to investment or to an immediate increase in supplies of consumers' goods. Since additional supplies of the goods desired could be obtained chiefly in western Europe, there was a mounting pressure to make goods available for export to western countries. The efforts of individual countries to raise exports of particular products to western Europe sometimes involved a certain amount of cross-trade in the same goods among eastern European countries.

At the beginning of 1956 new developments in Soviet trade policy became apparent. On the one hand, credits in free currencies were granted to some eastern European countries and certain of their exports to the

TABLE 1
The general level of trade between eastern
and western Europe

	Imports into western Europe	Exports from western Europe ^a
Current value (millions of dollars ; imports c.i.f., exports f.o.b.) :		
1950	801	643
1952	995	739
1955	1 362	1 102
1956	1 628	1 317
Index numbers of unit values (1950=100) :		
1950	100	100
1952	146	126
1955	127	125
1956	133	127
Index numbers of volume (1950=100) :		
1938	305	205
1950	100	100
1952	85	91
1955	134	137
1956	153	161

¹ Throughout this article the term "eastern Europe" includes the Soviet Union, unless otherwise stated. For a full list of the countries included in the two groups, see Appendix Table A. Trade between eastern and western Germany is not included unless otherwise indicated. Yugoslavia is included in western Europe since most of its trade is conducted with western Europe. It occupies, however, a special position in this context, being the only country in the group that has contracted for large credits from eastern European countries.

² After a period of very large increases in Eastern Europe's imports, the value of its exports increased in 1955 by much more than the value of western European deliveries.

Sources : Calculated from trade statistics of western European countries and OEEC statistics. For further details see "Sources and methods".

^a Excluding war reparations from Finland and Austria to the Soviet Union.

Soviet Union were paid in free currencies. This move certainly had beneficial effects on east-west trade. On the other hand, the Soviet Union appears to be prepared to go farther than in the past in filling the import gaps of eastern European countries for raw materials and in opening its market to less-essential goods from eastern Europe. This new tendency is clearly reflected in the trade agreements concluded for 1957 and is likely to result in at least a temporary reversal of the trend in recent years for the share of intra-eastern European trade in the total trade of those countries to decline.

On the side of western Europe, the expansion of east-west European trade has been facilitated by a number of measures including the relaxation of quantitative controls and, in some cases, provision for wider transferability of currencies. These and other developments affecting the course of east-west European trade are further discussed in Section 4.

During the last few years trade between eastern and western European countries has risen at a faster rate than the total trade of either area (see Table 2). As a result, the share of western Europe in total eastern European trade increased from only a little over 15 per cent in 1952 to almost 19 per cent in 1956. Eastern European trade with overseas countries other than Mainland China and other Asian countries in the eastern trading region³ may have increased equally

fast, but remains rather small. The share of eastern Europe in western Europe's total trade remained at about 3 per cent for imports and rose from 2.6 to 3.8 per cent for exports between 1952 and 1956.⁴

The expansion was unevenly distributed among the participating countries in 1956 as in earlier years (see Appendix Table A). Thus western Germany and Yugoslavia were largely responsible for the increase in western European exports, although in relative terms the rise in Greek exports was even larger. On the import side, the expansion was more evenly distributed, but here also western Germany and Yugoslavia experienced the biggest absolute increases.

As was pointed out in the previous article on east-west trade,⁵ the expansion in Yugoslavia's trade with eastern Europe was assisted by substantial credits granted mainly by the Soviet Union, but also by some other eastern European countries. A large part of these credits was used for imports of coal and wheat from the Soviet Union, and this was the principal factor in Yugoslavia's recorded trade deficit of about \$30 million with eastern Europe in 1956.

Western German trade with eastern Europe almost doubled in 1956. This was to a very large extent due to heavy shipments of rye to Poland, and of rolled steel, copper and engineering products to eastern

⁴ For 1937 the corresponding percentages are 8.4 and 6.9 respectively.

⁵ See *Economic Bulletin for Europe*, Vol. 8, No. 2, p. 49.

TABLE 2
World exports by area of origin and destination
Millions of current dollars, f.o.b.

Exporting area \ Area of destination	Year	Eastern Europe ^a	Western Europe	Overseas countries ^b	World
Eastern Europe ^a	1952	3.60	0.95	1.16	5.71
	1955	4.40	1.29	1.67	7.36
	1956	4.60	1.55	1.89	8.04
Western Europe	1952	0.74	14.86	12.72	28.32
	1955	1.10	18.86	14.61	34.57
	1956	1.32	20.50	15.91	37.73
Overseas countries ^b	1952	1.25	15.17	28.91	45.33
	1955	1.77	17.41	29.62	48.80
	1956	1.81	19.21	33.76	54.78
World	1952	5.59	30.98	42.79	79.36
	1955	7.27	37.56	45.90	90.73
	1956	7.73	41.26	51.56	100.55

Sources: See "Sources and methods".

^a Albania, Bulgaria, Czechoslovakia, eastern Germany, Hungary, Poland, Rumania and the Soviet Union.

^b Including a rough estimate of trade between China and eastern Europe.

TABLE 3

The share of east-west European trade in the total trade of individual countries

Percentages

Country	1937		1948		1952		1955		1956	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
Iceland	1.7	0.8	8.7	11.8	6.6	6.9	21.9	27.9	26.3	29.9
Finland ^a	9.1	2.3	19.0	15.5	19.4	20.7	26.5	24.2	24.7	26.7
Yugoslavia	16.8	12.6	43.3	49.8	—	—	7.3	13.5	22.1	22.8
Turkey	11.6	12.0	8.3	9.5	3.7	5.6	18.4	21.9	14.6	19.6
Austria ^a	31.9	27.9	25.5	14.7	11.2	12.7	9.4	9.9	9.5	13.0
Greece	18.0	10.4	2.1	8.9	0.2	0.3	3.4	4.6	4.6	10.3
Norway	6.7	3.6	8.0	10.0	6.6	6.9	3.6	5.9	4.6	6.0
Sweden	9.0	5.7	9.9	8.3	6.2	7.6	4.3	3.5	4.9	3.5
Italy	11.2	6.1	3.0	4.0	3.6	4.0	2.5	3.1	2.3	3.2
Western Germany ^b .	13.5 ^c	12.6 ^c	1.2	1.9	1.5	1.3	2.2	2.0	3.2	3.0
Switzerland	11.6	8.8	5.4	7.3	3.0	3.9	3.1	3.1	3.2	2.7
Denmark	4.3	2.3	10.6	7.8	4.1	4.0	3.7	3.4	3.6	2.6
Belgium-Luxembourg	6.9	5.0	3.9	3.5	1.3	2.4	1.9	2.3	2.0	2.5
France ^d	5.1	4.5	2.0	1.6	1.4	1.0	1.8	2.6	2.1	2.4
Portugal	2.3	2.0	0.3	1.0	0.2	3.0	0.4	2.4	0.5	1.7
Netherlands	7.6	5.6	4.1	4.5	2.4	1.7	2.2	2.2	2.5	1.6
United Kingdom ^e .	6.4	3.6	2.5	1.4	2.4	0.6	2.7	1.3	2.5	1.4
Ireland ^e	3.3	0.2	0.5	0.2	0.4	—	0.8	—	0.5	—
Spain	4.5 ^f	1.1 ^f	0.1	—	—	—	—	—	—	—
Total western Europe	8.4	6.9	5.0	4.6	2.9	2.6	3.4	3.2	3.0	3.5
	Imports + Exports	Imports + Exports	Imports + Exports	Imports + Exports	Imports + Exports	Imports + Exports	Imports + Exports	Imports + Exports	Imports + Exports	Imports + Exports
Poland	60	50	27	25	32					
Hungary	68	48	14	23	25					
Rumania	62	24	13	19	17					
Soviet Union	65 ^g	21	12	15	17					
Czechoslovakia . . .	56	42	16	15	16					
Eastern Germany . .	50 ^c	36	11	10	11					
Bulgaria	68	13	10	10	12					
Total eastern Europe	58	33	15	16	19					

Sources: For western European countries, national trade statistics; for eastern European countries, see "Sources and methods".

^a Excluding exports for war reparations.

^b Excluding trade between eastern and western Germany.

^c Estimates based on the distribution of trade of the whole of Germany.

^d Excluding trade in non-monetary gold.

^e General imports, exports excluding re-exports.

^f Year 1935.

^g Including the Baltic republics.

Europe generally. On the import side, there have been large increases in livestock and crude steel deliveries. Western Germany has developed trade relations with eastern Europe relatively recently and, despite the rapid increase during the last two years, this trade shows the biggest drop, as compared with pre-war, of any western European country.

In the case of Austria, the expansion shown by the figures for last year was more apparent than real and was due to the inclusion in official trade statistics of previously unreported exports from the then Soviet-controlled companies in Austria.⁶ In addition to com-

mercial exports in 1956, Austria delivered on reparations account goods to a value of \$52.3 million to the Soviet Union. Even without these deliveries, Austria had an export surplus in its trade with the Soviet Union in 1956. This surplus, which was partly financed through Soviet drawings on the schilling account with the Military Bank,⁷ has since been reduced by certain delayed Soviet deliveries which were made early in 1957.

Finland's trade with eastern Europe increased only moderately in 1956. However, since its exports to

⁶ See *Economic Bulletin for Europe*, Vol. 8, No. 2, p. 49.

⁷ This account represents earlier Soviet earnings from the so-called USIA companies.

western countries—chiefly forestry products—were hit by the recession on the timber markets, the share of eastern Europe in Finland's total exports rose considerably. The continued difficulties in Finland's balance of payments which have forced the country to restrict imports from western countries will bring about a similar shift on the side of Finland's imports in 1957. Of great importance in this connexion is the additional trade protocol for 1957 negotiated with the Soviet Union in June, and providing for an increase of about \$25 million in the level of exchanges previously foreseen. This would result in a share of almost 40 per cent for eastern Europe in total Finnish exports.

Drastic restrictions on imports of textiles and other less-essential goods into Turkey in 1956 were one factor in the slower expansion of Turkish imports from eastern Europe, affecting especially trade with Czechoslovakia. Moreover, payments difficulties in trade with eastern European countries, in addition to those with western Europe, exerted a generally depressing influence on this trade.

Despite the fact that the dispute with the British Trawler Federation, which originally brought about the switch of Iceland's trade to eastern European markets, was settled in 1956, the share of eastern Europe in Icelandic foreign trade continued to

increase, and during the first months of 1957 the eastern European markets absorbed as much as 45 per cent of Iceland's fish exports. During recent years, imports of eastern European manufactures including equipment into Iceland have also risen and it appears likely that a high volume of trade with eastern Europe will be a continuing feature of Iceland's foreign trade pattern.

On the eastern European side, the expansion of east-west European trade in 1956 was largely concentrated on the Soviet Union, Poland and Czechoslovakia, although, in relative terms, Bulgaria registered the largest increase. By contrast, east German and Rumanian trade with western Europe failed to expand in 1956, and in Hungary the reduction of bread grain imports from their abnormally high level of 1955 resulted in a decline in total imports although Hungarian exports reached a higher total.

Soviet trade with western Europe used to yield a substantial export surplus, mainly with the United Kingdom, which helped to finance an import surplus with overseas countries. Trade with western Europe has tended to become more or less balanced in recent years, and substantial gold sales, estimated at \$150 million in 1956, have made it possible for the Soviet Union to continue to increase imports from overseas countries.

2. EASTERN EUROPEAN EXPORTS

The expansion of exports from eastern European countries to western Europe in 1956 was largely accounted for by larger deliveries of food, fuels and steel (see Table 4). On the other hand, exports of timber and wood products, vegetable fibres and precious metals ^{7a} were reduced. Exports of manufactured articles increased moderately, mainly because of higher exports of machinery, vehicles and other engineering goods, while exports of textiles and other products of light industry failed to rise.

By and large, the commodity composition of eastern European exports has become increasingly diversified in recent years. The three big exports—grain, coal and timber—which accounted for over one-half of the total only a few years ago, now make up only one-third. The growing exports of steel and engineering products are indicative of the difficulties in expanding sales of the traditional export commodities—limited either by supply problems in eastern Europe, as in the case of grain and coal, or by less favourable marketing conditions in western Europe, as in the case of timber—but they also reflect the effects of industrialization in eastern Europe on the composition of exports.

The following paragraphs deal briefly with the development of eastern European exports of some of the most important commodities during 1956 and early 1957.

(a) *Grain and Other Foodstuffs*

During 1956 there was a certain recovery in eastern European exports of grain to western European countries, while deliveries in the opposite direction, the increase of which had constituted the most notable feature of east-west European grain trade in 1955, remained more or less at that year's level. The rise in eastern European exports in 1956 was largely accounted for by the shipment of almost 500,000 tons of wheat from the Soviet Union to Yugoslavia, the major portion of which was within the framework of the credit agreement mentioned above. In addition, Finland took greater quantities of Soviet wheat, and the Netherlands of Soviet coarse grain. Exports from other eastern European countries increased only little, mainly on account of a decline in Rumanian deliveries, and these countries taken together had an import surplus of over 300,000 tons in their trade with western Europe, as in 1955.

^{7a} Excluding gold.

TABLE 4

Commodity composition of exports from eastern to western Europe

Millions of current dollars, c.i.f.

Commodity group	1955	1956
<i>Food (Groups 1-15)</i>		
Grain	94	147
Meat and livestock	55	93
Butter and eggs	25	26
Sugar	21	27
Other food (including feeding stuffs and tobacco)	59	70
<i>Fuel (Groups 20-22)</i>	302	387
Coal and coke	200	261
Petroleum and products	102	126
<i>Crude materials and semi-finished articles</i>		
(Groups 16-19, 23-25, 28, 30, 31)	502	536
Textile fibres	57	54
Fur skins	27	37
Wood and wood products	215	192
Crude minerals	37	53
Iron and steel	65	114
Precious metals	38	28
<i>Manufactured articles</i>		
(Groups 26, 27, 29, 32-34)	206	241
Textiles	47	47
Glass and pottery	21	20
Chemicals	50	53
Machinery	48	63
Transport equipment	32	47
<i>All other commodities, including unspecified (Group 35)</i>	88	96
TOTAL of all groups	1 352	1 623

Source: Appendix Table B.

Imports into eastern Europe from overseas countries, which had started on a large scale already in 1955, accelerated in 1956 and reached a volume of almost 1.5 million tons. The largest contribution was made by Canada, with 1 million tons of wheat of which the Soviet Union took 400,000 tons. The Soviet Union, on the other hand, supplied Egypt with about the same quantity.

The results of these cross-currents may well have been that eastern Europe in 1956 became a net importer of grain. The increase in Soviet exports to western Europe and overseas countries did not quite equal the higher imports into the region from overseas countries. Trade between eastern European countries, consisting mainly of deliveries from the Soviet Union to Czechoslovakia, eastern Germany and Poland, seems, as far as can be judged from the incomplete data available, to have remained on the 1955 level, higher exports to the two first countries being offset by lower exports to Poland.

Imports of grain into eastern Europe (excluding the Soviet Union) have tended to increase during past years as a result of the failure of domestic production to keep up with the growing requirements, partly because of unfavourable weather conditions, but partly also because of the difficulties of providing adequate stimulus to farmers.

Imports during the first half of 1957 into these countries have also been on a high level. This was to be expected from the substantial increases in imports into Czechoslovakia and eastern Germany, mainly from the Soviet Union, planned for the harvest year 1956/57. Poland, which in 1956 imported mainly from western countries, was scheduled to receive 1.4 million tons from the Soviet Union in 1957, on a credit basis in order to build up stocks; and, of this amount, 1 million tons are reported to have been shipped during the first half of the year. In addition, Poland is negotiating for the delivery of almost 1 million tons of grain from western countries. The Soviet Union has also committed itself to deliver in the first half of 1957 over 500,000 tons to Rumania and 650,000 tons to Hungary.

The prospective Soviet grain deliveries may reduce imports from western European countries into other countries of eastern Europe. They may, however, place some strain on Soviet supplies and especially on the transport system since Soviet commitments for 1957 shipments to other eastern European countries amount to almost 5 million tons, or about twice the quantity delivered during preceding years. The outcome depends very much, of course, on the harvest both in the Soviet Union and in the other eastern European countries. Eastern European exports to western European countries may in the light of this situation be expected to show only marginal changes in 1957.

Among other foodstuffs, there was a rapid rise in eastern Europe's exports of meat and livestock during 1956. This expansion was largely concentrated on shipments of livestock from Hungary, Poland and Rumania to western Germany and, to a smaller extent, to Italy, and a further increase of Polish exports of bacon to the United Kingdom.

The net result of these and other changes in the trade flows in 1956 was that the more normal situation of an eastern European export surplus in the food sector was restored, whereas in the previous year this trade had been about balanced.

(b) *Timber*

The western European timber market in 1956 was characterized by falling prices and a lower trade turnover, reflecting an anticipation of a lower rate of investment, particularly in dwelling construction which gave rise to a tendency to reduce stocks in

TABLE 5
Trade in grain between eastern and western Europe
Thousands of tons

Country of origin or destination	Wheat ^a		Other grain ^b		Total	
	1955	1956	1955	1956	1955	1956
Imports into western Europe						
<i>From the Soviet Union</i>	391	721	233	517	624	1 238
<i>of which into :</i>						
Yugoslavia	—	464	—	11	—	475
Finland	179	143	109	136	288	279
Norway	106	87	30	60	136	147
Netherlands	4	8	—	124	4	132
Western Germany	5	10	18	59	23	69
United Kingdom	36	6	11	12	47	18
Italy	46	3	—	6	46	9
<i>From other eastern Europe</i>	136	91	359	445	495	536
<i>of which into :</i>						
Austria	47	37	132	115	179	152
Western Germany	60	15	34	104	94	119
Italy	2	3	33	63	35	66
United Kingdom	3	—	45	49	48	49
<i>From all eastern Europe</i>	527	812	592	962	1 119	1 774
<i>From the United States and Canada</i>	7 758	11 080	6 147	5 906	13 905	16 986
<i>Imports from all sources^c</i>	13 407	16 133	11 481	13 035	24 888	29 168
Total exports from western Europe^c	3 423	2 333	1 310	1 848	4 733	4 181
<i>of which to :</i>						
<i>Eastern Europe</i>	726	540	96	316	822	856

Sources: *Commodity Trade Statistics, Series D*, United Nations, New York, *OEEC Statistical Bulletins, Series IV*, Paris, and national trade statistics of western European countries. The table relates to the whole of western Europe.

^a Including flour in grain equivalent; one ton of flour = 1.25 ton of grain.

^b Excluding rice.

^c Including trade between western European countries.

importing countries. The release of strategic stocks in the United Kingdom also tended to reduce import demand. As a result, western European gross imports of all types of softwood were reduced by about 15 per cent below the exceptionally high 1955 level.

In this situation the eastern European countries were able, through the adoption of an elastic price policy, to maintain timber exports rather better than competing countries. Some western European countries even increased imports from eastern Europe in 1956. In France, this reflected a general expansion of timber imports during the year, but in western Germany and the Netherlands there occurred a switch from western to eastern European suppliers brought about by price considerations.

Table 6 shows that Czechoslovak and Polish exports of timber to western European countries were well maintained in 1956 (chiefly because of the urgency for these two countries to keep up imports from

western Europe). The Soviet Union, which is a relatively large exporter, fulfilled its export plan for 1956 mainly through a judicious choice of the right moments for making offers on the western European markets. In addition, the fact that Soviet timber is largely transported on Soviet ships, which remained unaffected by the drastic upsurge in freight rates during the autumn, helped the Soviet timber export organization. While the decline in Soviet exports of sawnwood was very small, Rumanian exports fell relatively sharply. In the latter case, the decline was largely a reflection of a switch in Italian imports from Rumania to Austria and a drastic reduction in Turkish imports.

Western European imports of timber seem certain to recover. Since stocks had been reduced in 1956 and the rate of investment activity, despite restrictionist measures, continued to grow, the buying season started early this year and by May contracts for delivery in 1957 had been concluded for more than

two-thirds of prospective imports. It seems that imports from eastern European countries will rise above the 1956 level and perhaps surpass that of 1955. Thus, British imports of Soviet timber are expected to reach a total of about 300,000 standards and French imports under the new agreement with the Soviet Union have been set at double the 1956 rate. Western Germany, Belgium and the Netherlands have likewise purchased larger quantities of Soviet timber in 1957 than during the previous year. Czechoslovakia may be expected to maintain exports of timber and this also applies to Poland's trade with western Europe, despite an over-all reduction in timber exports, since a bigger share of these will be directed to western European markets.

This does not mean, however, that it will be easy for the eastern European countries to provide larger quantities of timber for export to western countries

TABLE 6
Trade in timber between eastern and western Europe

Country of origin or destination	Roundwood ^a		Sawnwood	
	Thousands of cubic metres		Thousands of standards	
	1955	1956	1955	1956
<i>Imports from eastern Europe :</i>				
Western Germany . . .	840	798	50	62
United Kingdom . . .	429	436	315	292
Belgium-Luxembourg . .	133	125	48	28
Switzerland	231	102	4	4
Italy	49	69	34	25
France	93	68	11	23
Netherlands	8	41	74	83
Turkey	—	10	28	6
Other western European countries	86	54	29	17
TOTAL	1 869	1 703	593	540
<i>of which from :</i>				
Soviet Union	1 245	973	391	366
Poland	403	491	75	75
Czechoslovakia	201	233	59	59
Rumania	19	5	67	40
<i>Exports to eastern Europe :</i>				
TOTAL	960	1 016	103	128
<i>of which from :</i>				
Finland	665	817	86	95
Sweden	241	83	3	6
Austria	40	79	10	18

Sources: *Timber Bulletin for Europe*, FAO/ECE, Geneva, Vol. IX, No. 4.
^a Pulpwood, coniferous logs, pitprops and sleepers. The figures for sleepers have been converted to roundwood equivalent by multiplying by 1.82.

TABLE 7
Western Europe's imports of solid fuels
from eastern European countries

Thousands of tons ^a

Importing country	1955	1956	Percentage of total imports in 1956
Western Germany ^b	1 290	1 492	7
Austria	1 751	1 743	33
Finland	1 807	1 871	67
France	988	1 820	9
Sweden	1 130	1 184	22
Yugoslavia	272	1 017	69
United Kingdom	1 382	842	15
Denmark	719	538	9
Italy	326	367	3
Other countries	341	559	..
Total western European imports from eastern Europe	10 006	11 433	11
<i>of which :</i>			
Hard coal	8 497	9 426	..
Coke	518	1 032	..
Brown coal	991	975	..
<i>of which from :</i>			
Poland	6 924	7 384	7.2
Soviet Union	1 608	2 604	2.5
Czechoslovakia	920	970	0.9
Eastern Germany ^b	513	444	0.4

Source: *Quarterly Bulletin of Coal Statistics*, Economic Commission for Europe, No. 4, 1956.

^a Brown coal converted into hard-coal equivalent.

^b Exports from eastern to western Germany of respectively 3 518 and 2 876 thousand tons of brown coal are not included.

since house-building seems to have received a higher priority in recent adjustments of economic plans in eastern Europe. Moreover, Hungary, which has imported significant quantities of both roundwood and sawnwood from western Europe in recent years, may not be able to finance its increased import requirements from western sources and may therefore make larger demands on eastern supplies.

(c) Coal

Eastern Europe's coal exports to western European countries rose between 1955 and 1956 from 10.0 to 11.4 million tons in hard coal equivalent (see Table 7).⁸ As in 1955, the additional supplies from eastern Europe covered only a small share of the rapidly increasing western European net imports. Thus, of the 19 million tons increase in western European imports from

⁸ Exports of brown coal from eastern to western Germany of 3.5 million tons in 1955 and 2.9 million tons in 1956 (actual weights) are not included in the totals. Western Germany exported to eastern Germany hard coal and coke to an amount of 528,000 tons in 1955 and 412,000 tons in 1956.

countries outside the area in 1955, eastern Europe accounted for 2 million tons and the United States for 16 million tons. In 1956, eastern Europe supplied 1½ million and the United States 13 million tons out of a total increase in imports of 16 million tons.

Three major changes in eastern European coal exports to western Europe occurred in 1956. The first was the big increase in Soviet exports of hard coal to Yugoslavia within the framework of the credit agreement. These exports are likely to continue also during the current year. The second major change was the expansion of Polish exports to France, from 440,000 tons in 1955 to 1.21 million tons in 1956. A substantial share of the increase was in payment for the preceding heavy French grain exports to Poland. This flow is also expected to continue throughout 1957. The third major change was the rapid decline in British imports from Poland, connected with the improvement of the coal supply situation in the United Kingdom as well as with the pressure of other demands on Polish coal supplies. In 1957 Polish exports to the United Kingdom have ceased altogether.

Apart from these major shifts there were only marginal changes in eastern European coal exports to western European countries. It is noteworthy that those western European countries which cover the bulk of their requirements through imports, and which constituted the major outlets for eastern European coal during the early post-war years, took no share of the increase in exports during 1956. They were, however, the principal customers for the increase in Polish coke exports, which was directed chiefly to Denmark, Norway and Sweden.

The expansion in eastern European coal exports to western European countries in 1956 came mainly from the Soviet Union, which increased deliveries from 1.6 to 2.6 million tons. This increase compares with a rise in total Soviet coal exports from 4.3 million tons in 1955 to 7.4 million tons in 1956.⁹ While the Soviet Union was a net importer of coal during previous post-war years, in 1956 it became a net exporter to the extent of about 700,000 tons. This development was predominantly a reflection, on the one side, of reduced imports from Poland and, on the other, of higher exports to other eastern European countries to alleviate their fuel difficulties caused by the reduction of Polish supplies.

The difficulties of increasing coal output in Poland, together with the rapidly rising home consumption in that country, resulted in a fall in total exports of hard coal and coke to all destinations from 26.4 million tons in 1955 to 21.5 million tons in 1956. Nevertheless, Poland remained the biggest net exporter of coal in Europe, and its exports of hard fuel of all

kinds to western European countries rose moderately, coke deliveries accounting for most of the increase. For 1957 a further drastic reduction to only 14 or 15 million tons is foreseen in total Polish exports of hard coal and coke. But, as in the immediately preceding years, the cut is being applied to deliveries to eastern European markets, mainly the Soviet Union, while exports to western Europe are likely to be maintained at the 1956 level. The Soviet Union, Czechoslovakia and eastern Germany have also either maintained or increased coal export quotas for 1957 in their trade agreements with western European countries.¹⁰

Polish deliveries of hard coal and coke to eastern European countries will reach only about 7 million tons in 1957 as compared with about 19 million tons in 1955 and 14 million tons in 1956. Exports of Polish coal to Czechoslovakia and to eastern Germany will be only slightly reduced in 1957 while deliveries to the Soviet Union will be sharply curtailed. The change in the distribution of Polish coal exports to eastern European countries, which has been the subject of discussion among the participants in the Council for Mutual Economic Assistance, shows, on the one hand, the priority given to supplying coal to Czechoslovakia and eastern Germany, where the energy situation has been strained for some time and, on the other, a certain improvement in coal supplies in the Soviet Union due mainly to increases in domestic output.

In order to improve the fuel situation in the longer run, greater attention is being given by the Polish, east German and Czechoslovak Governments to the problems of closer co-operation in the field of coal production. Thus, eastern Germany and Poland recently signed an agreement whereby eastern Germany will help to develop several lignite opencast mines in Poland. Investment credits granted to Poland for this purpose will be repaid in the form of lignite and hard coal deliveries.

(d) Petroleum

Exports of crude and refined petroleum from eastern European countries to western Europe increased in 1956 by about one-sixth, or at a slightly higher rate than in the previous year. This did not, however, reverse the tendency for supplies from eastern Europe to diminish in relation to total western European imports. During the period when the Suez Canal was blocked there was no significant increase in the share of eastern European oil in western European imports. At that time the imminent danger of a western European petroleum shortage was averted

⁹ Quarterly Bulletin of Coal Statistics, ECE, Geneva, 1956, No. 4, p. 16.

¹⁰ The two latter countries export chiefly brown coal to Austria and western Germany.

TABLE 8

Western Europe's imports of petroleum and petroleum products from eastern European countries

Importing country	Petroleum products				Crude petroleum			
	Thousands of tons		Percentage of imports from all sources		Thousands of tons		Percentage of imports from all sources	
	1955	1956	1955	1956	1955	1956	1955	1956
Finland	999	1 124	84	77	—	—	—	—
Sweden	898	930 *	14	12	—	—	—	—
France	377	436	32	31	165	176	1	1
Western Germany	129	293	5	6	—	—	—	—
Iceland	231	262	86	89	—	—	—	—
Greece	159	219	10	14	—	—	—	—
Austria	153	96	40	30	—	—	—	—
Norway	35	94	1	3	—	—	—	—
Italy	103	80	19	10	116	198	1	1
Belgium-Luxembourg	115	52	5	2	—	—	—	—
Switzerland	55	35	3	1	—	—	—	—
Yugoslavia	12	26	23	65	171	338	35	58
Others ^a	5	10	..	..	—	—	..	..
TOTAL	3 271	3 657	12	10	452	712	1	1
<i>of which from :</i>								
Soviet Union	1 419	2 595	5	7	452	663	1	1
Rumania	1 542	797	6	2	—	50	—	—

Sources : OEEC Series IV, Paris, and national trade statistics.

^a Denmark, the Netherlands, Turkey.

by the combined effects of increased supplies from North America and a mild winter which reduced overall requirements.

As Table 8 shows, there was some increase in eastern European petroleum exports to most western European countries, with the exception of Austria,¹¹ Belgium-Luxembourg and Switzerland. The most rapid increases were in exports to western Germany, Greece and Yugoslavia, and eastern Europe supplied a larger share of total petroleum imports into these countries than in 1955.

As far as can be judged from current trade agreements, western European imports of petroleum from eastern Europe, largely Rumania and the Soviet Union, will continue to increase in 1957. The most drastic increase will occur in Greece, according to the new trade agreement with the Soviet Union which foresees a very great increase in Greek tobacco exports in exchange for, among other things, an import quota of 400,000 tons for petroleum products (to be compared with actual imports in 1956 of only 219,000 tons). French imports of crude oil from the Soviet Union are planned to more than double in 1957, and to reach a figure of 800,000 tons in 1959. Import quotas for

¹¹ The picture of east-west petroleum trade is not complete without reference to the substantial deliveries from Austria under the State Treaty with the Soviet Union. In 1956 these shipments amounted to 1.38 million tons of crude petroleum and they were delivered to Czechoslovakia (360,000 tons), eastern Germany (430,000 tons), Hungary (250,000 tons) and Poland (340,000 tons).

Soviet oil have also been raised in the agreements with Finland,¹² Iceland and Sweden, while imports into Yugoslavia are expected to fall slightly.

However, this expansion in eastern European exports of petroleum to western European countries may be sufficient merely to maintain their share of total western European imports. Despite the very considerable increase in output planned in the Soviet Union, the export potential to western Europe will remain restricted, on the one hand by the growth of domestic requirements, and, on the other, by the needs of eastern European countries — accentuated by the coal shortage in eastern Europe as well as by deliveries to Egypt and certain other overseas destinations.

(e) Other Crude Materials and Semi-finished Articles

The expansion in Soviet exports of raw cotton came to a halt in 1956 despite the gradual recovery in western European textile production. The reason for this development seems to have been chiefly the release of large quantities of cotton held by the United States Commodity Credit Corporation. A very large part of the increase in United States exports of cotton to western Europe in 1956 was in fact within the framework of measures designed to reduce surplus stocks. Thus, American cotton could be purchased

¹² The original agreement for 1957 foresaw a reduction in deliveries, but the additional protocol increased quotas much above the 1956 level.

for European currencies at relatively low prices and, in addition, often on credit terms.

In response to the intense demand in western Europe for steel-making materials, there was a considerable rise in 1956 in eastern European exports under the heading of "iron and steel", consisting chiefly of pig iron¹³ (see Table 4). Most eastern European countries participated in this expansion, but the Soviet Union, Czechoslovakia and Poland contributed the largest quantities. Similarly, while all western European countries, with the single exception of Turkey, increased iron and steel imports from eastern Europe, western Germany, Sweden, the United Kingdom and Belgium-Luxembourg accounted for most of the increase.

Eastern European exports of precious metals, chiefly platinum and silver, fell in 1956, almost exclusively because of smaller shipments to France and the United Kingdom. As was noted above, there were heavy gold sales during the year, but these are not included in the tables contained in this article.

(f) Manufactured Articles

The increase in eastern European exports of manufactured articles in 1956 was largely concentrated on engineering products. Turkey and Finland remain the chief markets for eastern European machinery, but exports to Yugoslavia rose particularly fast in 1956. There was, however, some increase in exports to all western European markets, including the big industrial countries, France, western Germany and the United Kingdom. Eastern Germany and Czechoslovakia were practically the only exporters.

¹³ Finland, however, which is a big steel importer from eastern Europe, takes mainly rolled products from the Soviet Union.

As an exporter of transport equipment, largely motor vehicles, to western Europe the Soviet Union ranks between Czechoslovakia and eastern Germany. Soviet exports go almost exclusively to Finland, Norway and Yugoslavia, while the more up-to-date east German and Czechoslovak motor-cars find a wider market in western Europe, including Sweden, the Netherlands and western Germany. Eastern European exports of motor vehicles increased in 1956 and there has been a further expansion in Czech and east German exports in the early months of 1957. Although these deliveries still account for only a small part of total western European imports of motor vehicles, they are by no means negligible; about 25,000 motor-cars as well as a certain number of motor-cycles, were exported to western Europe in 1956.

Only a small proportion of total eastern European exports of machinery and equipment is finding outlets in western Europe, but these exports have been growing both to western European countries and to several overseas countries. The stagnation in the exports of traditional manufactured goods — textiles, glass and china and other light industrial goods (see Table 4) — reflects the difficulties encountered in the Turkish market which have already been noted. Exports to other western European countries, in particular to the Scandinavian countries and the United Kingdom, of cloth, nylon stockings and other textile goods, increased substantially. The western European textile industries met growing competition not only from eastern European countries, mainly Czechoslovakia, eastern Germany and Hungary, but also from many overseas countries, including Japan and China.¹⁴

¹⁴ In the Scandinavian countries the word "dumping" continued to be widely used to characterize eastern European competition.

3. WESTERN EUROPEAN EXPORTS

In 1955 there had occurred a change in the commodity composition of western European exports to eastern European countries. While in preceding years the expansion had been concentrated on consumers' goods and raw materials for such goods, the further growth of western European exports that occurred in 1955 was largely concentrated on raw materials for capital goods and on ships. In 1956 this trend became still more accentuated. With few exceptions the expanding sectors in western Europe's exports belong to the groups "raw materials for capital goods industries" and "engineering products". (Table 10)

(a) Crude Materials and Semi-finished Articles

Western Europe's steel exports to eastern Europe, consisting mainly of rolled products, rose from

400,000 tons in 1955 to over 1 million tons in 1956. Most of the increase was supplied by western Germany, Belgium-Luxembourg, Italy and Austria. Table 9 shows that these exports accounted for a significant share of total Austrian steel exports, and that for western Germany and Italy, eastern European markets are assuming an increasing importance. The bulk of the expansion was directed to the Soviet Union, Czechoslovakia and Poland. As already noted, those three countries also accounted for the major part of eastern Europe's iron and steel exports to western European countries. Since western European exports consist of more highly finished products, they are much greater in value terms than the flow in the opposite direction although, in quantity terms, eastern European exports (amounting to 1,260,000 tons in 1956) were significantly larger.

TABLE 9
Exports to eastern Europe of selected commodities
Percentages

Commodity	Exporting country	Percentage of country's total exports to eastern Europe in 1956	Share of eastern Europe in total exports of commodity			
			1954	1955	1956	1957 ^a
Wheat	France	15	11	21	27	—
	Sweden	—	21	41	—	..
	Turkey	4	16	8	12	..
Rye	Western Germany		—	36	84	..
	Meat (including livestock)	9	13	3	—	3
Meat (including livestock)	France	—	40	10	—	—
	Turkey	6	84	78	74	..
	Yugoslavia	9	8	27	19	..
Butter and margarine . .	Denmark	16	14	4	4	6
	Netherlands	4	26	10	3	5
	Sweden	2	60	30	7	..
Fish	Iceland	95	29	34	37	49
	Norway	31	15	16	14	21
	Sweden	6	58	54	50	..
Fruits and vegetables . .	Greece	34	6	3	16	19
	Italy	18	5	5	4	6
	Turkey	22	9	15	2	..
	Yugoslavia	8	3	27	25	..
Tobacco	Greece	28	12	4	9	10
	Turkey	48	17	28	30	..
	Yugoslavia	12	15	38	42	..
Cotton	Greece	15	—	—	10	9
	Turkey	—	26	20	—	..
Oilcakes and other fodder	Turkey	8	10	56	37	..
	Norway	37	39	42	47	15
Oils and fats	Austria	28	14	18	22	19
	Belgium-Luxembourg	27	2	1	3	3
	France	31	3	4	5	5
	Italy	15	4	1	9	9
	Sweden	12	6	4	4	..
	Western Germany	27	4	4	9	6
	Yugoslavia	13	—	3	44	..
Copper	Belgium-Luxembourg	7	2	3	3	..
	United Kingdom	44	8	27	32	25
	Western Germany	10	2	13	17	4
Synthetic fibres	Italy	13	36	32	46	55
	Norway	6	1	13	52	..
	Switzerland	5	11	17	32	9

Sources: For 1954, 1955 and 1956, same material as that used for Appendix Table C; for 1957, national trade statistics of western European countries.

^a Based on latest information available.

TABLE 10
Commodity composition of exports from western
to eastern Europe
Millions of current dollars, f.o.b.

Commodity group	1955	1956
<i>Food, drink and tobacco (Groups 1-10)</i>	249	224
<i>of which:</i>		
Grain	56	59
Meat and dairy products	61	30
Fish	41	44
Fruit and vegetables	40	44
Tobacco	35	44
Other food and drink	16	3
<i>Crude materials and semi-finished articles</i>		
<i>(Groups 11-12, 14, 16-23, 26, 29-30)</i>	339	495
<i>of which:</i>		
Oilseeds, fats and oils	28	26
Textile fibres (including textile waste)	82	72
Timber and manufactures	50	62
Wood-pulp	20	27
Iron ore and other minerals	16	24
Iron and steel	79	180
Non-ferrous metals	60	100
<i>Manufactured articles</i>		
<i>(Groups 13, 15, 24, 25, 27, 28, 31-40)</i>	422	512
<i>of which:</i>		
Textiles	40	38
Paper	34	44
Chemicals (excluding fertilizers)	65	83
Metal manufactures	17	29
Machinery	131	151
Ships and boats	105	141
<i>All other commodities, including unspecified</i>		
<i>(Group 41)</i>	83	81
TOTAL of all groups	1 093	1 312

Source : Appendix Table C.

Exports of copper products rose from about 50,000 tons in 1955 to about 90,000 tons in 1956. As in 1955, the United Kingdom was the biggest exporter and accounted for one-half of the total,¹⁵ but western Germany also emerged as an important exporter to eastern Europe. Both countries continued to export on a large scale also in the current year. Apart from copper, other non-ferrous metals exported to eastern Europe in growing quantities are aluminium, lead and zinc. Dutch exports of tin fell off in 1956, however, and lately the Soviet Union has started to offer tin to western countries.

Western European exports of forestry products increased, although the previously very important Finnish exports of prefabricated wooden houses to the Soviet Union, which were already falling in 1955, disappeared completely in 1956, as the Soviet Union can now meet its requirements from domestic production. Exports of timber from Finland and

¹⁵ It will also be noted from Table 9 that copper products alone accounted for 44 per cent of the United Kingdom's total exports to eastern Europe.

Yugoslavia increased to most eastern European markets and exports of wood-pulp and paper, the bulk of which was supplied by Finland, also continued to rise, going mainly to the Soviet Union.

The decline in western Europe's exports of textile fibres was concentrated on wool and cotton, while exports of synthetic fibres continued to expand. The decline in cotton exports, affecting exclusively Turkey, may have some connexion with the simultaneous increase in eastern Europe's imports of Egyptian cotton. The increase in western Europe's exports of synthetic fibres, mainly to the Soviet Union, benefited Norway and Sweden in particular.

(b) Manufactures

There was an increase in western European exports in all groups of manufactures except textiles. As in the previous year, exports of ships and boats showed the most pronounced expansion; and the Soviet Union remained almost the only market for these products in 1956 as in 1955. The increase in exports came mainly from France, western Germany and the United Kingdom, whereas Finnish exports which in previous years dominated this trade failed to rise. This year Yugoslavia has received orders for several cargo ships from Poland. The western European ship-building industry — which is working at full capacity — has nevertheless accepted important new orders from the Soviet Union and also from Poland, which has planned to expand its ocean-going fleet.

TABLE 11
Exports of machinery ^a from western
to eastern Europe
Millions of current dollars, f.o.b., and percentages

Exporting country	Current value		Percentage of total exports of machinery	
	1955	1956	1955	1956
United Kingdom	34	28	2	1
Western Germany	14	26	1	1
Austria	13	25	20	29
Finland	23	24	72	79
Switzerland	10	11	4	3
France	11	9	3	2
Sweden	9	9	4	3
Belgium-Luxembourg . .	7	7	4	3
Denmark	2	4	2	3
Italy	8	3	3	2
Yugoslavia	—	3	—	44
Netherlands	—	1	—	—
TOTAL of countries listed	131	150	2.5	2.4

Source : Appendix Table C.

^a Groups 32, 33, 34, 35.

Western European machinery exports to eastern Europe increased moderately but, as Table 11 shows, not sufficiently to retain their share in total machinery exports from the area in 1956. Only in three countries — Finland, Yugoslavia and Austria — does eastern Europe account for a significant share of their total exports of machinery. Austria and western Germany accounted for most of the rise in machinery exports in 1956, whereas exports from the United Kingdom and Italy declined substantially. A major part of the increase was directed to Czechoslovakia and Poland, but in contrast to expectations earlier in the year, Soviet machinery imports from western Europe did not expand.

Press reports indicate substantial eastern European orders for western European machinery during the

current year. Poland, for example, has ordered mining equipment and electrical equipment in several western European countries, including France, western Germany, Sweden and the United Kingdom, in many cases on credit terms. The Soviet Union is reported to have ordered several complete industrial plants from the United Kingdom, including one for the manufacture of rubber tyres.

Transport equipment, apart from ships, still accounts for a small share of western European exports to eastern European countries. There was, however, a certain increase in these exports in 1956, particularly from Austria to Poland and the Soviet Union. Recent agreements foresee a rise in French exports of railway rolling stock and also in Italian exports of motor-cars.

4. CURRENT TRENDS

The Short-term Outlook

The preceding sections on the trends of trade in the most important commodities give some indication of the prospects for 1957 and, to some extent, also for 1958. Thus it seems likely that eastern European exports of petroleum products will continue to grow and that coal exports will be maintained at about their 1956 level in spite of the increasingly acute energy shortage in the region. Timber exports to western Europe are expected to recover after the setback of 1956. Grain exports, as already mentioned, depend essentially on harvests in eastern European countries; but the growing import requirements of several eastern European countries tend to reduce surpluses available for export, though rising imports into the area from overseas countries may counteract this tendency as they did in 1956.

Data so far available for 1957 (see Table 12) suggest that the growth of east-west European trade continues. On the western European side, the recent expansion of trade has been concentrated on Austria, Finland, Italy, Turkey and Yugoslavia but imports into France and exports from the United Kingdom also rose sharply. Trade agreements concluded for 1957 and 1958 provide for a continued expansion in east-west European trade in most instances but, as already indicated in Section 1, the rise in intra-eastern European trade may be even faster. Some of the recent developments which are likely to affect east-west European trade are briefly described below.

Changes within Eastern Europe Affecting Trade¹⁶

In many eastern European countries foreign trade problems are now receiving more serious attention

than ever before during the post-war period. The reappraisal of principles governing foreign trade in centrally planned economies started several years ago in Hungary, and more recently Poland and eastern Germany have joined in the discussion.

The view has been steadily gaining ground that foreign trade should not be governed by *ad hoc* decisions to fill gaps or dispose of surpluses, nor be considered merely as a method of linking the centrally planned economies, but that greater benefits could and should be sought from a wider international division of labour. In order to achieve this, it is necessary that the real relative costs of production of different goods should be discernible, but the price structure in eastern European countries hardly fulfills this condition at present. The discussion of the tests to be applied in determining the real "profitability" of foreign trade under the conditions of a planned economy is now becoming more widespread throughout eastern Europe.

It is too early to judge whether these changes in attitudes will be followed by sweeping changes in the organization and pattern of foreign trade in eastern Europe. However, there may well be some reversion to the commodities traditionally exported to western Europe which had been neglected in the past, and increased efforts may be made to push the production of those commodities among the new export items which appear to be competitive on western markets at prices more or less reflecting domestic production costs. The desire to import more cheaply may also result in some shift to western European sources of supply. It is already possible to point to some modifications in the planning and machinery of foreign trade which are likely to exert a certain influence on east-west trade. With a view to increasing the efficiency of foreign trade negotiations, Hungary and eastern Germany and, more recently, also Poland,

¹⁶ For further discussion of these changes see *Economic Survey of Europe in 1956*, Chapter 1, Section 3 and *Economic Bulletin for Europe*, Vol. 9, No. 1.

TABLE 12

Trade of individual western European countries with eastern Europe
in the early months of 1956 and 1957

Millions of current dollars ; imports c.i.f., exports f.o.b.

Country	Period	Imports from eastern Europe		Exports to eastern Europe	
		1956	1957	1956	1957
Austria	January-June	43.9	57.8	49.8	62.3
Belgium-Luxembourg	January-February	8.2	10.3	7.1	9.6
Denmark	January-June	24.1	21.9	11.0	18.8
Finland	January-June	96.6	146.6	86.0	99.0
France	January-June	50.0	62.0	58.3	53.1
Western Germany ^a	January-June	106.4	112.4	104.9	106.1
Greece	January-April	5.3	9.7	5.7	9.6
Iceland	January-June	8.0	12.9	8.8	9.7
Ireland ^b	January-May	0.6	2.1	—	0.1
Italy	January-May	27.5	54.2	21.7	39.8
Netherlands	January-May	27.3	27.9	22.1	29.3
Norway	January-May	23.9	17.9	23.1	18.1
Portugal	January-June	0.7	0.8	2.0	2.8
Sweden	January-May	37.7	36.8	23.9	29.8
Switzerland	January-July	31.1	29.8	22.5	25.5
Turkey	January-April	16.2	18.3	30.3	27.6
United Kingdom ^b	January-July	146.6	153.7	67.7	97.9
Yugoslavia	January-May	26.8	47.2	22.9	28.4
TOTAL of countries listed (value index)		100	121	100	118

Sources : National trade statistics of western European countries.

^a Excluding trade with eastern Germany.^b General imports, exports excluding re-exports.

have granted enterprises the right to conclude trade deals directly with foreign firms in some instances. In Poland there appears to be a more general tendency to decentralize the foreign trade machinery, which is reflected in a greater autonomy granted to trading agencies for different industrial branches in their negotiations with foreign enterprises.

Moreover, Poland is now striving to diversify its trade relations and to free export proceeds for the purpose of importing consumers' goods and raw materials from western European countries. An illustration of this new tendency is the discontinuation of the triangular agreement with Finland and the Soviet Union whereby Poland received goods from the Soviet Union in settlement of its export surplus with Finland. Finland will henceforth settle the import surplus in sterling. In several trade agreements with western European countries also, the share of coal exports to be settled in sterling has been increased, thus helping to make possible a more flexible pattern of trade.

The decentralization of industrial planning and management in the Soviet Union seems to have been

motivated primarily by the desire to increase the efficiency of domestic production and trade. International trade will continue to be conducted under the central administration of the Foreign Trade Ministry in Moscow. But, in the long run, there may be indirect effects also on foreign trade. One of the drawbacks of the previous system in the Soviet Union was a certain neglect of transport costs in setting prices, which sometimes made for an uneconomic location of industries. The organization of industries by sectors embracing the whole country often resulted in costly transport over long distances. The new regional organization may conceivably give some inducement to the border areas for developing trade across the national frontiers, the European parts of the Soviet Union with European countries and the eastern parts with Asian countries.

A development which may lead to greater flexibility in intra-eastern trade and payments is the agreement signed during the Session of the Council for Mutual Economic Assistance held in June 1957 on the establishment of a multilateral clearing system which, it was stated, would contribute to the further expansion

of trade among eastern European countries.¹⁷ No details have yet been announced of the nature and scope of the new system, but it does not seem to have any very immediate bearing on problems of east-west trade and payments.

Efforts to ease East-West Trade and Payments

Various specific steps have recently been taken, and others proposed, for facilitating trade between eastern and western Europe. In western Europe, there has been a general relaxation of export controls, and some western European countries have also actively assisted eastern European countries in gaining easier access to western markets. Some western European countries, in particular those of Scandinavia, have extended their relaxation of quantitative import restrictions also to eastern European countries.

At the same time, western Germany and Italy have taken steps to grant their eastern trading partners a considerable degree of automatic transferability of trading balances, a system which has already been applied by the United Kingdom for several years. The west German Beko-Mark may now be utilized by any eastern European country, except eastern Germany, for making transfers to any other country within the transferable accounts area.¹⁸ In February 1957 Italy also announced its intention to introduce a transferable lira to replace, gradually, the present bilateral clearing arrangements with eastern European countries. The first step taken along those lines was a new trade and payments agreement with eastern Germany concluded in May 1957.

New approaches to the problem of east-west payments, with the purpose of introducing greater flexibility and a more rational international division of labour, have also been made or proposed under the auspices of the United Nations Economic Commission for Europe during the period under review. The Government of the United Kingdom has proposed, for discussion in the Committee on the Development of Trade, that all western European countries should grant automatic transferability of their currencies within eastern Europe and the EPU area to their eastern trading partners. This proposal is to be dealt with at the forthcoming meeting of the Committee.

Meanwhile a procedure has been established under the auspices of ECE for assisting interested governments in making voluntary transfers of balances which arise under bilateral agreements. This procedure was put into effect on 30 June 1957 without the conclusion of any formal agreement and with the Secretariat of ECE, assisted by a Special Consultant, acting

as Agent for the time being. On the basis of the first quarterly operations, which referred to balances held on 30 June 1957, the Agent reported that as of 5 August interested governments utilizing the scheme had arranged six compensation circuits and achieved a total transfer of claims amounting to the equivalent of \$7.2 million.

The creation in western Europe of a Common Market and, if also agreed to, a Free Trade Area is bound to affect the future development of east-west trade.¹⁹ The possibility of adverse repercussions on the trade of members and non-members of the system, including east-west trade in Europe, is being considered in several international forums and is likely to be given continued attention in future. In his address to the Twelfth Session of the Economic Commission for Europe which met in April-May 1957 the Secretary General of the United Nations addressing the Commission stated that: ". . . the process of setting up common markets may involve considerable, and sometimes painful, adjustments both within and outside the areas directly concerned. . . . The movements towards integration of a part of Europe, through a common market, should therefore be examined in the context of the broader co-operation, directed towards some measure of integration in the whole of Europe. . . ."

During the Commission's discussion of these questions, the Soviet delegation pressed its criticism of the western European plans on both political and economic grounds and enlarged on the proposals announced by the Soviet Government shortly before the twelfth session for the further development of co-operation between European States.²⁰ These proposals were in addition to those submitted a year earlier by the Soviet delegation at the eleventh session for the preparation of an All-European Agreement on Economic Co-operation.²¹ In both instances the Commission, rather than attempt to work out a comprehensive solution in the form of a multilateral agreement on problems of east-west economic relationships, decided at its twelfth session that concrete proposals might be considered within the framework of the existing machinery of the Commission.

¹⁷ See *Economic Survey of Europe in 1956*, Chapter IV "Plans for freer trade in western Europe".

¹⁸ See document E/ECE/280 and Add.1.

¹⁹ The Soviet draft of an All-European agreement includes provisions for most-favoured-nation treatment, the creation of an all-European body to deal with and make concrete proposals on foreign exchange and international credits, the conclusion of long-term trade agreements and contracts, intensified collaboration between banking institutions and insurance organizations, standardization of terms of transport insurance, enforcement of arbitral decisions, etc. The additional proposals presented by the Soviet delegation to the twelfth session envisaged not only "an agreement between all interested European countries on measures for promoting trade between them" but also "mutual economic and financial assistance" on the basis of a long-term all-European programme.

¹⁷ See *Pravda*, 25 July 1957.

¹⁸ Trade between eastern and western Germany still remains on a clearing basis.

TABLE
Trade of western Europe
Millions of current dollars;

Country of origin for imports and destination for exports	Quarter or quarterly average	Austria		Belgium Luxem- bourg ^a		Denmark ^b		Finland		France ^c		Western Germany ^d		Greece		Iceland	
		Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.
Bulgaria	1955 Year	0.7	1.1	0.1	0.2	—	—	0.2	0.2	0.2	0.2	1.0	1.2	0.1	0.1	—	—
	1956 I	0.1	0.8	0.6	0.1	—	—	0.2	0.2	0.2	1.3	0.8	1.0	0.1	0.1	—	—
	II	1.7	1.7	0.1	0.3	—	—	0.1	0.2	0.8	0.2	2.3	2.3	0.5	0.2	—	—
	III	1.5	1.7	0.2	0.8	—	0.1	0.2	0.2	0.7	0.7	2.9	1.8	0.4	0.3	—	—
	IV	1.7	1.9	0.3	0.1	—	—	0.2	0.1	0.9	0.8	1.9	1.7	0.6	0.5	—	—
Czechoslovakia	1957 I	1.0	1.8	0.7	0.1	—	0.1	0.4	0.2	0.3	1.1	1.6	3.4	0.7	0.7	—	—
	1955 Year	3.8	2.7	1.8	2.2	1.4	1.4	5.2	2.0	3.1	1.6	7.1	3.8	0.6	0.4	0.8	0.6
	1956 I	3.0	3.3	2.3	1.8	1.7	1.1	1.7	1.4	2.3	2.7	7.4	5.9	1.0	0.4	0.8	0.5
	II	4.8	4.1	2.1	2.0	2.5	0.7	6.1	2.5	4.1	2.1	10.4	8.3	1.6	0.9	1.1	1.0
	III	4.9	5.1	2.0	2.9	1.9	1.2	6.3	3.1	1.5	1.3	14.7	10.6	1.2	0.9	1.4	1.1
Eastern Germany ^d	IV	5.0	6.5	4.5	2.7	2.0	1.4	6.2	2.7	2.2	1.5	13.7	13.3	1.2	1.6	1.5	1.1
	1957 I	4.2	5.1	2.6	2.2	1.8	2.0	8.9	0.9	3.3	2.2	12.2	10.3	1.3	1.8	0.8	0.8
	1955 Year	3.0	3.0	1.6	1.9	3.8	3.5	5.7	4.3	0.6	1.4	(34.3)	(31.3)	0.4	0.5	0.4	0.3
	1956 I	3.0	3.7	1.5	1.6	2.7	1.9	3.2	2.3	0.7	0.9	(31.6)	(34.8)	0.6	0.4	0.4	0.4
	II	2.7	5.0	2.0	1.9	4.4	2.6	4.4	5.4	0.9	1.7	(40.7)	(36.7)	0.4	0.9	0.5	0.4
Hungary	III	3.2	4.4	1.8	1.7	3.7	3.5	6.3	5.9	0.7	1.4	(39.8)	(46.6)	0.3	0.4	0.8	0.2
	IV	3.2	4.3	2.2	1.6	3.7	3.5	6.7	3.3	0.8	1.4	(42.5)	(50.7)	1.0	1.0	0.7	0.8
	1957 I	3.7	2.8	1.7	1.9	3.5	1.2	4.7	1.8	0.9	2.4	(39.2)	(24.4)	0.5	0.8	0.6	0.5
	1955 Year	4.9	3.8	0.9	2.6	0.5	0.5	1.7	1.5	0.8	7.7	5.2	8.7	0.3	0.3	—	—
	1956 I	8.1	5.2	0.8	2.4	0.6	0.4	2.3	1.1	0.8	7.4	10.5	3.5	0.7	0.9	—	—
Poland	II	3.1	5.3	0.7	2.3	0.6	0.8	1.6	2.6	0.8	5.5	9.0	10.0	0.9	0.4	0.1	—
	III	4.1	6.2	0.8	1.9	0.6	0.1	1.7	3.0	1.0	2.7	9.5	7.3	0.3	0.5	—	—
	IV	3.8	2.8	0.6	0.8	0.5	0.5	1.3	0.3	0.7	0.6	5.2	2.7	0.3	—	0.1	0.1
	1957 I	3.1	6.2	0.9	2.9	0.3	0.4	1.3	0.7	1.2	7.8	5.8	4.0	0.2	0.3	—	—
	1955 Year	6.1	4.5	1.0	3.9	3.1	0.9	9.8	3.9	2.4	9.3	7.0	6.9	0.1	0.1	0.5	0.3
Rumania	1956 I	6.9	6.2	1.7	3.1	3.1	0.9	5.5	2.7	3.1	15.9	8.7	8.8	0.1	0.1	0.5	0.3
	II	5.1	6.3	1.5	5.5	3.8	0.9	10.8	4.7	4.8	5.2	13.9	29.2	0.1	0.3	0.2	0.3
	III	6.4	6.7	1.0	6.1	4.8	0.8	13.8	5.0	7.7	4.3	17.5	16.5	—	0.1	0.4	0.1
	IV	7.3	8.2	2.0	5.2	2.5	1.6	9.9	5.1	7.9	7.0	17.2	16.7	—	0.3	0.5	0.2
	1957 I	8.3	8.2	1.9	3.7	3.3	1.2	9.5	7.2	7.4	7.0	12.7	14.9	0.2	0.5	0.7	0.4
Soviet Union	1955 Year	1.5	0.9	0.4	0.9	0.1	0.2	6.7	1.3	1.7	1.8	2.7	3.3	1.3	0.2	—	—
	1956 I	1.4	2.1	0.7	1.0	0.4	0.1	4.4	0.4	1.9	1.1	2.6	1.4	0.5	0.6	—	—
	II	1.3	1.5	0.4	0.2	0.1	0.1	3.4	1.1	1.5	1.4	3.9	3.1	1.9	0.4	—	—
	III	1.4	1.6	0.5	0.1	—	0.1	4.9	1.2	1.8	1.1	3.1	3.3	1.6	0.4	—	—
	IV	2.1	1.6	0.4	0.2	0.3	0.1	6.1	0.9	1.9	0.8	4.6	4.2	1.2	1.1	—	—
TOTAL of countries listed ^d	1957 I	1.9	1.4	0.8	1.2	0.4	1.1	4.2	1.5	4.2	0.9	4.3	4.7	1.4	0.6	—	—
	1955 Year	1.0	1.4	7.3	4.2	2.1	2.5	21.7	34.5	12.1	8.7	8.9	6.7	0.5	0.6	2.7	2.4
	1956 I	1.1	2.0	5.4	2.9	2.5	—	19.1	25.3	12.7	6.1	9.1	13.3	0.8	1.3	2.3	2.8
	II	1.6	2.6	6.1	5.9	1.7	1.5	33.8	36.1	15.4	6.8	9.6	18.1	0.7	1.8	2.1	3.1
	III	2.1	5.0	9.2	9.9	0.5	1.5	25.9	34.9	17.6	17.8	13.5	19.0	1.4	1.5	4.8	2.0
	IV	2.4	4.3	15.1	13.0	2.9	2.8	30.7	52.2	19.7	8.6	20.8	18.4	1.9	2.2	5.6	4.6
	1957 I	10.3	3.7	6.1	3.5	2.8	3.4	38.2	32.0	13.6	5.1	25.3	9.9	2.4	1.8	1.6	3.3
TOTAL of countries listed ^d	1955 Year	21.0	17.4	13.1	15.9	11.0	9.0	51.0	47.7	20.9	30.7	31.9	30.6	3.3	2.2	4.4	3.6
	1956 I	23.6	23.3	13.0	12.9	11.0	4.4	36.4	33.4	21.7	35.4	39.1	33.9	3.8	3.8	4.0	4.0
	II	20.3	26.5	12.9	18.1	13.1	6.6	60.2	52.6	28.3	22.9	49.1	71.0	6.1	4.9	4.0	4.8
	III	23.6	30.7	15.5	23.4	11.5	7.3	59.1	53.3	31.0	29.3	61.2	58.5	5.2	4.1	7.4	3.4
	IV	25.5	29.6	25.1	23.6	11.9	9.9	61.1	64.6	34.1	20.7	63.4	57.0	6.2	6.7	8.4	6.8
	1957 I	32.5	29.2	14.7	15.5	12.1	9.4	67.2	44.3	30.9	26.5	61.9	47.2	6.7	6.5	3.7	5.0

Sources: National trade statistics of western European countries.

^a Figures for first quarter of 1957 are estimated.

^b Imports by country of purchase.

^c Excluding trade in non-monetary gold.

^d Fig.

^e Ger...

A

with eastern Europe

imports c.i.f., exports f.o.b.

Ireland	Italy	Nether- lands	Norway	Portugal	Sweden	Switzer- land	Turkey ^a	United Kingdom ^e	Yugoslavia	Total of 18 countries ^d
Imp. Exp.	Imp. Exp.	Imp. Exp.	Imp. Exp.	Imp. Exp.	Imp. Exp.	Imp. Exp.	Imp. Exp.	Imp. Exp.	Imp. Exp.	Imp. Exp.
— —	1.1 0.3	0.1 0.1	— —	— —	— 0.1	0.3 0.4	1.0 0.7	0.3 0.6	0.4 0.2	5.5 5.4
— —	0.3 0.5	0.5 0.1	0.2 —	— —	0.2 —	0.3 0.6	0.7 1.1	0.5 1.4	1.0 0.1	5.7 7.3
— —	2.2 0.4	0.1 0.2	— 0.1	— —	0.2 0.4	0.2 0.6	0.7 0.7	0.3 0.5	0.2 0.9	9.4 8.7
— —	0.6 0.5	0.1 0.1	— 0.1	— —	— 0.4	0.4 0.4	0.4 0.1	0.6 0.2	0.6 0.2	8.6 7.6
— —	0.4 0.5	0.2 0.4	— —	— —	0.2 0.1	0.2 0.4	0.3 0.1	1.0 0.1	0.3 0.1	8.2 6.8
— —	1.8 0.7	0.2 0.3	— —	— —	0.1 0.2	0.1 0.4	0.1 0.7	0.5 0.5	2.7 1.5	10.2 11.7
0.2 —	2.5 1.8	5.7 2.2	2.3 2.2	0.2 0.4	1.8 1.3	3.4 2.9	6.1 5.2	3.0 2.0	1.7 1.8	50.7 34.5
0.4 —	2.1 1.9	4.6 1.4	2.8 1.8	0.3 0.4	1.9 1.0	3.8 3.3	3.8 5.4	3.3 1.4	2.2 2.5	45.4 36.2
0.4 —	2.6 2.7	10.1 2.4	3.3 2.3	0.4 0.3	3.0 2.3	4.2 3.2	5.7 7.8	3.8 1.8	2.8 2.6	69.0 47.0
0.2 0.1	2.7 1.6	4.2 1.1	2.9 1.9	0.2 0.4	4.2 2.7	3.0 3.4	4.9 0.8	3.4 2.0	3.9 2.1	63.5 42.3
0.1 0.1	3.3 2.2	6.9 2.2	2.5 1.3	0.2 0.4	3.1 2.7	4.9 5.5	5.4 3.0	4.7 2.0	3.2 1.0	70.6 51.2
0.1 0.1	2.9 1.4	4.9 1.8	2.3 2.2	0.3 0.4	2.1 2.7	6.4 3.4	2.8 3.9	5.6 2.3	3.9 0.8	66.4 44.3
— —	1.5 1.9	3.0 4.4	1.8 2.0	— 0.1	3.5 3.4	1.8 2.0	3.7 3.1	1.8 0.5	0.6 0.5	33.2 32.8
0.1 —	1.9 1.2	3.2 3.1	2.4 1.4	— —	2.4 3.1	1.9 1.6	3.2 3.0	2.0 0.6	1.1 0.5	30.3 25.7
— —	1.0 1.1	3.2 5.2	3.1 3.3	— —	5.7 3.9	1.7 1.5	3.5 10.7	1.1 0.5	0.4 1.4	35.0 45.5
— —	1.0 0.6	3.9 4.7	1.6 1.4	— —	4.1 3.6	1.6 1.4	3.8 1.0	1.7 0.7	0.7 1.1	35.2 32.0
0.3 —	1.6 2.5	3.4 3.7	3.4 2.2	— —	4.6 2.9	1.9 1.3	3.4 0.8	1.9 1.0	1.0 1.4	39.8 31.7
1.1 —	1.5 0.8	3.3 4.2	2.2 1.9	— —	3.4 3.5	1.9 1.1	3.3 2.7	1.9 1.5	1.0 1.4	35.2 28.5
— —	2.4 2.9	0.7 2.0	0.3 0.3	0.1 0.2	1.0 2.4	2.0 1.4	3.2 2.4	1.6 1.5	0.7 0.7	26.3 38.9
— —	2.2 2.9	1.3 1.4	0.4 0.1	— —	1.4 0.4	3.0 0.9	1.5 1.6	2.5 0.9	1.4 0.6	37.5 29.7
— —	3.1 6.0	0.9 0.6	0.3 0.4	— —	1.4 2.1	2.2 1.0	1.3 2.8	2.9 1.0	0.8 0.7	29.7 41.5
— —	2.3 2.5	0.8 0.7	0.2 0.2	— —	1.1 1.3	3.5 1.2	1.3 1.1	2.3 2.0	1.3 3.5	30.8 34.2
— —	1.5 0.8	1.0 0.7	0.3 0.1	— —	1.0 0.2	2.0 0.5	1.7 1.2	1.5 1.7	3.0 1.5	24.5 14.5
— —	2.6 0.7	0.8 0.8	0.1 0.3	— —	0.6 0.5	1.7 0.7	1.0 1.7	1.7 2.0	2.2 1.5	23.5 30.5
— —	1.7 2.3	0.5 1.9	0.8 1.0	— —	5.9 4.4	1.7 1.8	4.8 3.5	20.6 4.5	1.1 1.0	67.1 50.2
— —	1.9 1.5	0.9 2.4	1.2 0.4	— —	4.9 1.9	1.5 1.5	2.2 5.8	23.0 4.3	2.1 0.6	67.3 56.4
— —	2.0 1.1	0.6 1.8	3.3 2.7	— 0.1	6.1 4.0	2.6 2.6	2.9 2.5	24.9 5.3	2.5 2.8	85.1 75.3
— —	1.7 1.3	0.7 1.6	2.0 2.1	0.1 —	9.2 4.9	2.9 1.8	1.8 0.6	20.7 6.4	1.0 1.7	91.7 60.1
— —	3.1 2.5	1.3 2.3	1.1 1.4	0.1 —	9.7 4.0	2.1 2.5	1.0 0.5	15.5 11.5	2.3 3.7	83.5 72.7
— —	2.0 2.8	1.4 2.2	1.3 1.0	— —	7.2 5.3	2.6 2.8	1.0 0.3	16.6 5.8	3.7 2.4	79.8 65.7
0.7 —	1.7 1.4	0.2 0.4	0.2 0.2	— 0.2	1.2 —	0.5 0.7	2.1 1.1	2.5 0.8	0.2 0.2	23.7 13.6
— —	2.3 0.9	1.5 0.5	0.4 0.6	— —	0.1 —	0.8 0.6	1.4 1.5	3.2 1.0	0.2 0.4	21.8 12.2
— —	5.1 1.7	1.0 0.4	1.7 0.5	— —	0.9 0.2	0.9 1.0	0.9 0.4	1.3 0.4	0.4 0.3	24.7 12.7
— —	4.0 3.0	0.3 0.3	1.1 0.3	— —	0.1 0.1	0.3 0.5	1.4 0.4	0.3 1.1	0.6 0.4	21.4 13.9
— —	2.6 2.4	0.1 0.6	— 0.5	— —	0.1 0.1	0.2 0.3	1.0 0.4	0.3 1.0	1.6 1.1	22.5 15.3
— —	5.1 4.2	0.4 0.8	1.8 0.6	— —	— —	0.5 0.5	0.2 0.3	0.3 1.3	0.3 0.8	25.8 19.9
0.2 —	5.8 4.0	7.6 3.9	4.4 3.7	— 0.8	8.0 3.7	2.1 1.1	2.1 1.3	44.0 16.1	3.6 4.5	134.1 100.1
— —	5.5 3.4	5.5 3.7	3.9 5.1	— 0.2	10.4 4.1	1.3 0.7	0.6 —	31.0 24.8	8.6 6.8	119.8 102.5
0.3 —	4.3 4.0	5.2 2.7	6.0 10.2	— 1.0	9.1 8.2	2.1 0.4	1.4 0.8	25.3 11.1	7.9 9.2	132.6 123.5
0.3 —	5.2 6.7	8.9 0.6	4.1 4.0	— 1.6	11.6 5.5	2.5 0.4	1.6 2.5	51.0 18.4	22.0 10.7	182.2 142.0
0.2 —	7.6 12.5	22.6 0.9	7.2 2.0	— —	11.1 8.7	4.1 0.4	1.6 3.3	47.0 19.4	31.9 14.9	232.4 168.2
0.1 —	20.3 11.3	9.1 9.0	3.5 1.1	— 1.0	11.9 4.9	5.8 0.5	4.2 —	30.5 24.1	12.5 7.6	198.2 122.2
1.1 —	16.7 14.6	17.8 14.9	9.8 9.4	0.3 1.7	21.4 15.3	11.8 10.3	23.0 17.3	73.8 26.0	8.3 8.9	340.6 275.5
0.5 —	16.2 12.3	17.5 12.6	11.3 9.4	0.3 0.6	21.3 10.5	12.6 9.2	13.4 18.4	65.5 34.4	16.6 11.5	327.8 270.0
0.7 —	20.3 17.0	21.1 13.3	17.7 19.5	0.4 1.4	26.4 21.1	13.9 10.3	16.4 25.7	59.6 20.6	15.0 17.9	385.5 354.2
0.5 0.1	17.5 16.2	18.9 9.1	11.9 10.0	0.3 2.1	30.3 18.5	14.2 9.1	15.2 6.5	80.0 30.8	30.1 19.7	433.4 332.1
0.6 0.1	20.1 23.4	35.5 10.8	14.5 7.5	0.3 0.4	29.8 18.7	15.4 10.9	14.4 9.3	71.9 36.7	43.3 23.7	481.5 360.4
1.3 0.1	36.2 21.9	20.1 19.1	11.2 7.1	0.3 1.4	25.3 17.1	19.0 9.4	12.6 9.6	57.1 37.5	26.3 16.0	439.1 322.8

^d Figures in parentheses are excluded from all totals.^f Excluding war reparations.

e General imports; exports excluding re-exports, which to eastern Europe amounted to 9.8, 29.6, 34.3, 10.8, 19.8 and 21.6 million dollars respectively.

TABLE B
Imports of western European countries
from ea
Millions of current
dollars,

Country of origin and commodity group	Austria		Belgium-Luxembourg		Denmark		Finland		France		Western Germany		Greece		Iceland		Italy	
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956
Bulgaria																		
1. Livestock	0.4	0.5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1
2. Meat	—	—	—	—	—	—	—	—	—	—	—	0.1	—	—	—	—	—	0.1
3. Butter and margarine .	0.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Eggs	0.1	0.2	—	—	—	—	—	—	—	—	1.0	1.6	0.2	0.3	—	—	1.1	1.2
5. Wheat	—	—	—	—	—	—	—	—	0.4	—	—	—	—	—	—	—	—	—
6. Maize	0.5	2.0	—	0.4	—	—	—	—	—	—	—	0.4	—	—	—	—	—	0.4
7. Other cereals	—	0.2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8. Fruit and vegetables .	0.3	0.4	0.1	0.3	—	—	0.1	0.2	—	0.1	1.3	2.3	—	0.3	—	—	—	—
9. Feeding-stuffs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10. Other food	—	—	—	—	—	—	—	—	—	—	—	—	—	0.2	—	—	—	—
11. Tobacco and manufactures	0.8	0.6	0.2	0.3	—	—	0.4	0.3	—	1.1	0.7	2.0	—	—	—	—	3.2	1.5
12. Oil-seeds, oils and fats .	—	—	—	0.1	—	—	—	—	—	—	0.6	0.3	—	—	—	—	—	0.2
13. Wool and hair	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14. Vegetable fibres	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15. Crude minerals ^a	—	—	—	—	—	—	—	—	—	—	0.2	0.5	—	—	—	—	—	—
16. Coal and coke	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17. Petroleum products	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18. Fertilizers	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19. Other chemicals	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
20. Textiles (yarns, manufactures) .	—	—	—	—	—	—	0.1	0.1	—	—	—	—	—	—	—	—	—	—
21. Cement and bricks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
22. Glass, glassware and pottery .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
23. Precious metals, excluding gold .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
24. Iron and steel	—	—	0.9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
25. Machinery	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
26. Transport equipment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
27. Instruments and watches	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
28. All other commodities	0.2	0.1	0.1	0.1	—	—	—	—	0.1	0.2	0.3	0.6	0.1	—	—	—	0.2	0.1
TOTAL	2.6	5.0	0.5	1.2	—	—	0.6	0.6	0.9	2.6	4.1	7.9	0.5	1.6	—	—	4.5	3.5
Czechoslovakia																		
1. Livestock	—	—	—	—	—	—	—	—	0.2	0.2	—	0.1	—	—	—	—	—	—
2. Meat	—	—	—	—	—	—	—	—	0.3	0.4	—	0.1	—	—	—	—	—	—
3. Butter and margarine	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Eggs	—	—	—	—	—	—	—	—	—	—	—	1.2	—	—	—	—	—	0.1
5. Wheat	1.4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6. Barley	0.2	0.1	0.5	—	—	—	—	—	—	—	0.1	0.5	—	—	—	—	0.5	0.4
7. Other cereals	1.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8. Cereal preparations	0.8	0.5	0.6	0.6	—	—	—	—	0.1	—	0.1	1.7	1.6	—	—	0.1	0.8	0.9
9. Fruit and vegetables	0.4	0.3	0.8	1.9	—	—	—	—	0.1	0.2	0.7	1.1	0.9	1.0	—	0.7	0.5	1.0
10. Sugar	—	—	—	—	—	—	—	—	—	—	—	—	0.9	0.7	0.5	0.2	0.2	—
11. Other food	0.1	0.2	0.1	0.3	—	—	—	—	—	—	—	0.1	0.1	—	—	—	—	—
12. Oil-seeds, oils and fats	—	—	—	—	—	—	—	—	—	—	—	0.3	0.3	—	—	—	—	—
13. Wool and hair	—	—	—	0.1	0.7	—	—	—	—	—	0.1	—	—	—	—	—	—	—
14. Vegetable fibres	—	—	—	—	—	—	—	—	—	—	—	0.1	—	—	—	—	—	—
15. Crude minerals ^a	0.6	0.7	0.1	0.4	0.1	0.2	0.1	0.1	—	0.1	4.4	3.3	—	—	—	0.4	0.6	0.2
16. Coal and coke	6.0	6.3	—	—	—	—	—	—	—	—	—	6.9	10.4	—	—	—	—	0.3
17. Crude petroleum	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18. Petroleum products	—	—	—	—	—	—	—	—	0.1	0.5	0.4	0.6	1.5	—	—	—	0.2	—
19. Fertilizers	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
20. Other chemicals	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.4	0.6
21. Textiles (yarns, manufactures) .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
22. Cement and bricks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
23. Glass, glassware and pottery .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
24. Precious metals, excluding gold .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
25. Iron and steel	1.1	4.1	0.3	0.4	1.9	2.9	2.6	3.4	—	0.2	0.8	7.3	—	0.5	0.6	0.7	—	0.6
26. Machinery	0.2	1.1	0.6	1.0	0.3	0.7	4.7	4.0	0.6	1.0	0.6	1.5	0.4	1.5	—	0.4	0.3	0.5
27. Transport equipment	0.9	1.5	0.7	0.5	0.4	0.4	4.9	4.5	0.3	0.2	0.2	1.2	0.1	0.1	0.2	0.5	—	0.7
28. Instruments and watches	—	—	0.1	0.1	—	0.1	0.4	0.4	—	—	—	—	—	—	—	—	—	—
29. All other commodities	1.2	0.7	0.8	2.3	1.1	0.9	2.7	2.1	1.9	1.1	2.3	3.3	0.4	0.6	1.6	1.6	1.1	0.9
TOTAL	15.2	17.7	7.0	10.8	5.4	8.0	20.7	20.3	12.4	10.1	28.2	46.2	2.4	5.0	3.2	4.8	10.0	10.7

^a Excluding coal, petroleum and fertilizers.

B

from eastern Europe by commodity groups

dollars, c.i.f.

Netherlands	Norway	Sweden	Switzerland	Turkey	United Kingdom	Yugoslavia	Total of 16 countries	Country of origin and commodity group			
									1955	1956	
Bulgaria											
—	—	—	—	—	—	—	—	1. Livestock	0.4	0.6	
—	—	—	—	—	—	—	—	2. Meat	—	0.2	
—	—	—	—	0.5	0.5	—	0.2	3. Butter and margarine	0.5	—	
—	—	—	—	0.1	0.1	—	—	4. Eggs	3.0	3.9	
—	—	—	—	0.1	0.1	—	—	6. Wheat	0.1	0.5	
—	—	—	—	0.6	—	—	—	8. Maize	0.6	3.9	
—	—	—	—	0.2	—	—	—	9. Other cereals	—	0.2	
—	—	—	—	0.1	—	—	—	11. Fruit and vegetables	1.8	5.0	
—	—	—	—	0.2	—	—	0.2	13. Feeding-stuffs	0.2	0.4	
—	—	—	—	0.1	0.1	—	—	14. Other food	—	0.3	
—	—	—	—	0.2	—	—	—	15. Tobacco and manufactures	5.4	5.9	
—	—	—	—	0.1	0.1	—	—	16. Oil-seeds, oils and fats	2.3	1.8	
—	—	—	—	0.2	—	—	—	17. Wool and hair	—	0.2	
—	—	—	—	0.1	0.1	—	—	18. Vegetable fibres	—	—	
—	—	—	—	0.2	—	—	—	19. Crude minerals ^a	0.2	0.5	
—	—	—	—	0.1	0.1	—	—	20. Coal and coke	—	0.1	
—	—	—	—	0.2	—	—	—	22. Petroleum products	—	0.3	
—	—	—	—	0.1	0.1	—	—	25. Fertilizers	—	0.1	
—	—	—	—	0.2	0.8	0.5	0.1	26. Other chemicals	1.7	1.6	
—	—	—	—	0.4	—	1.5	0.4	27. Textiles (yarns, manufactures)	1.6	2.0	
—	—	—	—	0.2	0.2	0.6	0.1	28. Cement and bricks	0.6	0.1	
—	—	—	—	—	—	0.2	—	29. Glass, glassware and pottery	0.2	0.1	
—	—	—	—	—	—	0.2	—	30. Precious metals, excluding gold	0.3	1.3	
—	—	—	—	—	—	0.2	—	31. Iron and steel	0.2	0.2	
—	—	—	—	0.1	—	0.2	—	32. Machinery	—	—	
—	—	—	—	0.1	—	0.5	0.6	35. All other commodities	2.2	2.2	
0.3	0.9	0.1	0.2	0.1	0.6	1.1	2.0	TOTAL	21.6	31.6	
Czechoslovakia											
—	—	—	—	—	—	0.1	—	1. Livestock	0.2	0.3	
—	—	—	—	—	—	—	—	2. Meat	0.4	0.6	
—	—	—	—	—	—	—	—	3. Butter and margarine	0.5	0.1	
—	—	—	—	—	—	—	—	4. Eggs	—	1.3	
—	0.2	0.2	0.1	—	—	0.3	0.3	6. Wheat	1.4	—	
—	—	—	—	—	—	—	—	7. Barley	1.8	1.6	
—	—	—	—	—	—	—	—	9. Other cereals	1.1	—	
—	1.0	0.9	0.3	0.3	0.9	0.4	2.9	10. Cereal preparations	9.0	10.3	
—	0.1	0.4	—	—	0.1	0.6	0.6	11. Fruit and vegetables	4.2	6.2	
—	—	3.6	4.7	0.5	—	1.3	—	12. Sugar	6.3	8.0	
—	—	—	—	—	—	1.1	—	14. Other food	0.3	1.7	
—	—	—	—	—	—	—	—	16. Oil-seeds, oils and fats	0.3	0.3	
—	—	—	—	—	—	—	—	17. Wool and hair	0.1	0.9	
—	—	—	—	—	—	—	—	18. Vegetable fibres	—	—	
—	—	0.2	0.2	0.1	—	0.5	0.3	19. Crude minerals ^a	6.8	7.9	
—	—	0.3	—	0.1	—	1.9	—	20. Coal and coke	13.2	18.7	
—	—	—	—	—	—	—	—	21. Crude petroleum	—	—	
—	—	—	—	—	—	—	—	22. Petroleum products	—	—	
—	—	—	—	—	—	—	—	23. Fur skins	—	—	
—	—	4.4	4.0	—	—	1.1	1.3	24. Wood and wood products	24.3	25.7	
—	—	0.2	0.2	—	—	0.7	2.6	26. Other chemicals	11.5	13.2	
—	—	0.2	0.4	0.9	1.6	1.7	2.1	27. Textiles (yarns, manufactures)	14.3	15.6	
—	—	0.2	0.4	0.1	0.1	0.2	0.4	28. Cement and bricks	3.9	4.9	
—	—	1.4	1.7	0.2	0.2	0.3	0.9	29. Glass, glassware and pottery	11.3	10.8	
—	—	9.0	11.5	—	—	0.1	—	30. Precious metals, excluding gold	15.2	14.4	
—	—	2.1	1.6	0.4	0.9	0.7	3.2	31. Iron and steel	17.2	30.9	
—	—	0.6	1.1	0.2	0.6	0.7	0.5	32. Machinery	15.9	22.5	
—	—	0.7	1.0	1.5	1.5	0.8	0.2	33. Transport equipment	11.7	19.0	
—	—	—	—	0.2	0.4	0.2	—	34. Instruments and watches	1.2	2.2	
—	—	1.9	1.9	1.6	0.8	1.1	0.9	35. All other commodities	24.8	24.9	
22.5	25.8	9.0	11.5	7.0	12.3	13.3	15.9	TOTAL	199.6	246.2	

TABLE
B (continued)
from east to west

Imports of western European countries
Millions of current dollars, c.i.f.

Country of origin and commodity group	Austria		Belgium-Luxembourg		Denmark		Finland		France		Western Germany		Greece		Iceland		Italy	
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956
Eastern Germany																		
7. Barley	—	—	—	—	—	—	0.7	—	—	—	—	—	—	—	—	—	—	—
9. Other cereals	0.1	—	—	—	—	—	0.4	—	—	—	—	—	—	—	—	—	—	—
11. Fruit and vegetables	—	—	—	—	—	—	—	0.7	0.3	—	—	—	—	—	—	—	—	0.1 0.2
12. Sugar	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
16. Oil-seeds, oils and fats	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19. Crude minerals ^a	0.3	0.4	—	—	0.1	0.1	—	0.1	0.1	—	—	—	—	—	—	—	—	—
20. Coal and coke	4.4	4.9	—	—	3.2	3.0	0.3	0.4	—	—	—	—	—	—	—	—	—	0.3 0.2
22. Petroleum products	—	0.2	—	—	—	—	—	0.1	0.2	—	0.3	—	—	—	—	—	—	0.2 0.1
23. Fur skins	0.2	0.2	—	—	—	—	—	0.1	0.4	—	—	—	—	—	—	—	—	—
24. Wood and wood products	0.2	—	1.2	0.4	0.1	0.2	0.1	0.1	—	0.1	—	—	—	—	—	—	—	—
25. Fertilizers	1.7	1.9	2.4	1.8	3.6	3.1	3.7	2.4	—	—	—	—	—	—	—	—	—	0.7 0.5
26. Other chemicals	0.4	0.8	0.7	1.0	0.5	0.3	2.8	2.8	—	0.2	—	—	—	—	—	—	—	1.5 1.3
27. Textiles (yarns, manufactures)	—	0.2	0.1	0.1	1.9	2.0	2.5	2.7	—	—	—	—	—	—	—	—	—	—
28. Cement and bricks	—	—	—	0.1	0.8	0.7	0.2	0.2	—	—	—	—	—	—	—	—	—	0.2 0.2
29. Glass, glassware and pottery	0.1	0.2	0.3	0.4	1.7	1.4	0.2	0.3	—	0.1	—	—	—	—	—	—	—	0.1 0.1
30. Precious metals, excluding gold	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31. Iron and steel	0.7	0.3	—	—	—	—	0.2	—	—	—	—	—	—	—	—	—	—	—
32. Machinery	2.2	1.8	1.0	1.2	0.9	0.9	3.7	3.4	1.2	1.5	—	—	—	—	—	—	—	—
33. Transport equipment	0.7	0.5	0.3	0.6	0.2	0.1	3.5	3.6	—	0.1	—	—	—	—	—	—	—	—
34. Instruments and watches	0.1	0.3	0.2	0.3	0.6	0.4	2.1	1.7	0.2	0.2	—	—	—	—	—	—	—	0.1 0.3
35. All other commodities	0.8	0.4	0.2	1.4	1.5	1.2	2.5	1.8	0.8	0.6	—	—	—	—	—	—	—	0.8 0.7
TOTAL	11.9	12.1	6.4	7.3	15.1	14.5	22.8	20.4	2.2	3.1	—	—	1.5	2.3	1.6	2.4	6.0	5.5
Hungary																		
1. Livestock	4.7	2.9	—	—	—	—	—	—	0.2	0.6	1.5	8.8	0.1	0.1	—	—	2.7	3.6
2. Meat	0.8	0.9	—	—	—	—	—	—	1.7	0.9	3.6	3.3	0.1	0.2	—	—	2.8	2.4
3. Butter and margarine	0.8	0.4	—	—	—	—	—	—	—	0.5	0.5	0.5	0.5	—	—	—	—	0.5 0.2
4. Eggs	0.2	0.3	—	—	—	—	—	—	—	—	1.5	1.3	0.1	0.1	—	—	—	0.6 0.9
5. Fish	—	—	—	—	—	—	—	—	—	0.1	—	—	—	—	—	—	—	—
6. Wheat	2.0	0.8	1.6	—	—	—	—	—	—	—	2.4	1.1	—	—	—	—	—	—
7. Barley	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8. Maize	3.6	3.6	—	—	—	—	—	—	—	—	0.1	3.7	—	—	—	—	—	0.4
9. Other cereals	0.7	1.8	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.6
10. Cereal preparations	—	—	—	—	—	—	—	—	—	—	0.1	—	—	—	—	—	—	0.3 0.2
11. Fruit and vegetables	0.5	1.0	0.1	0.1	—	0.1	1.0	1.5	—	0.1	2.1	3.4	0.1	0.2	—	—	—	0.2
12. Sugar	—	1.0	—	—	—	—	—	—	—	—	0.3	0.3	0.1	—	—	—	—	—
13. Feeding-stuffs	—	—	—	—	—	—	—	—	0.3	0.6	—	—	0.4	0.1	—	—	—	—
14. Other food	0.9	0.8	0.7	0.2	—	—	—	—	0.6	—	0.1	0.6	0.9	—	—	—	—	—
15. Tobacco and manufactures	—	0.5	0.1	0.1	—	—	—	—	—	—	—	—	—	—	—	—	—	0.2
16. Oil-seeds, oils and fats	1.4	0.9	0.1	0.1	—	—	—	—	—	0.1	2.6	1.0	—	0.1	—	—	—	0.1 0.4
17. Wool and hair	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.9
18. Vegetable fibres	—	0.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19. Crude minerals ^a	—	—	—	—	0.3	0.2	0.2	0.1	—	—	—	—	—	—	—	—	—	—
20. Coal and coke	0.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
22. Petroleum products	1.7	1.2	—	—	—	—	—	0.1	—	—	—	0.4	1.1	—	—	—	—	—
23. Fur skins	—	0.1	—	—	—	—	0.4	0.8	—	—	0.1	0.1	—	—	—	—	—	—
24. Wood and wood products	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
25. Fertilizers	—	0.5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
26. Other chemicals	0.1	0.5	0.1	0.2	—	0.1	0.1	0.1	0.1	0.1	0.3	0.7	—	—	—	—	—	—
27. Textiles (yarns, manufactures)	—	—	0.3	0.4	1.0	1.5	2.1	1.4	—	0.1	0.9	0.9	0.4	0.6	—	—	—	0.1
28. Cement and bricks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29. Glass, glassware and pottery	—	—	0.1	—	—	—	—	—	—	—	—	0.1	0.2	—	—	—	—	—
30. Precious metals, excluding gold	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31. Iron and steel	0.2	0.6	—	—	—	—	—	—	0.4	0.4	—	—	0.1	0.9	—	—	—	0.2
32. Machinery	0.2	0.3	0.2	0.3	0.2	0.1	0.3	0.3	—	—	—	0.3	0.6	0.2	0.2	—	—	0.2 0.3
33. Transport equipment	—	—	—	—	—	—	—	—	0.2	0.1	—	—	—	0.2	0.3	—	—	0.3 0.1
34. Instruments and watches	—	—	—	—	—	—	—	—	0.3	0.1	—	—	—	—	—	—	—	—
35. All other commodities	1.2	0.9	0.1	1.4	0.5	0.3	0.8	1.4	1.1	0.7	2.8	5.0	—	0.2	0.1	0.2	—	0.8 0.5
TOTAL	19.3	19.1	3.4	2.8	2.0	2.3	6.8	6.8	3.1	3.3	20.7	34.1	1.3	2.2	0.1	0.2	9.6	9.1

^a Excluding coal, petroleum and fertilizers.

B (continued)

from eastern Europe by commodity groups

dollars, c.i.f.

Netherlands	Norway		Sweden		Switzerland		Turkey		United Kingdom		Yugoslavia		Total of 16 countries		Country of origin and commodity group	
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956		
—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.7	Eastern Germany	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	0.4	7. Barley	
—	—	—	—	—	0.2	0.1	—	—	—	—	—	—	0.3	0.3	9. Other cereals	
—	0.3	3.1	—	—	—	—	—	—	0.1	—	—	—	1.2	3.5	11. Fruit and vegetables	
—	—	0.2	0.1	0.3	0.4	—	—	—	0.1	0.1	0.1	0.1	0.3	—	12. Sugar	
—	—	0.4	0.2	2.1	1.6	0.3	0.2	—	—	0.4	0.6	—	1.2	1.3	16. Oil-seeds, oils and fats	
—	—	0.1	—	0.2	0.1	0.4	—	—	0.2	0.1	—	0.1	1.5	1.7	19. Crude minerals ^a	
—	—	0.6	0.7	—	—	0.1	0.1	0.3	0.5	—	0.2	—	2.6	2.9	20. Coal and coke	
—	2.4	2.4	1.2	1.4	3.0	3.4	0.5	0.4	—	3.9	2.6	0.7	0.3	21.4	22. Petroleum products	
—	1.4	1.6	—	0.1	2.7	3.1	2.1	1.9	0.3	1.2	1.1	0.9	0.8	0.6	23. Fur skins	
—	1.2	1.7	0.7	0.9	2.0	2.5	—	0.2	1.2	0.5	—	0.1	—	—	24. Wood and wood products	
—	0.4	0.3	0.1	0.1	—	—	0.6	0.5	0.3	0.7	—	—	—	—	25. Fertilizers	
—	1.0	1.0	0.6	0.6	0.7	0.5	1.0	1.0	0.1	0.4	—	0.2	—	—	26. Other chemicals	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	27. Textiles (yarns, manufactures)	
—	2.1	2.7	1.1	1.1	0.8	1.1	0.9	1.4	7.8	8.5	0.6	0.9	0.2	1.3	28. Cement and bricks	
—	0.2	0.4	0.9	1.2	0.3	2.1	0.1	0.1	1.1	0.4	—	—	7.5	9.2	29. Glass, glassware and pottery	
—	0.6	0.6	1.0	0.8	1.0	0.9	0.5	0.5	0.4	0.5	—	0.1	0.4	6.9	7.0	30. Precious metals, excluding gold
—	2.0	1.8	1.0	0.6	0.7	1.1	0.6	0.5	3.2	1.3	0.5	0.9	0.3	0.2	31. Iron and steel	
—	12.2	13.7	7.3	10.5	13.8	16.8	7.3	7.1	14.7	14.1	7.0	6.7	2.2	3.2	32. Machinery	
—	—	—	—	—	—	—	—	—	—	—	—	—	132.0	139.7	33. Transport equipment	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	34. Instruments and watches	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	35. All other commodities	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	TOTAL	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Hungary	
—	—	—	—	—	1.2	2.7	—	—	—	—	—	—	10.4	18.7	1. Livestock	
—	—	0.6	—	—	0.1	0.7	—	—	0.6	1.4	—	—	9.7	10.4	2. Meat	
—	—	—	—	—	0.4	0.7	—	—	0.7	1.2	—	—	2.9	3.5	3. Butter and margarine	
—	—	—	—	—	0.9	0.9	—	—	1.0	0.8	—	—	4.3	4.3	4. Eggs	
—	—	—	—	—	—	—	1.4	—	—	—	—	—	0.1	—	5. Fish	
—	—	—	—	—	—	—	0.7	—	—	—	—	—	6.2	3.3	6. Wheat	
—	—	—	—	—	—	0.7	—	—	—	—	—	—	0.7	—	7. Barley	
—	—	—	—	—	—	0.7	—	—	—	—	—	—	4.8	7.7	8. Maize	
—	—	—	—	—	—	—	—	—	—	—	—	—	1.3	1.8	9. Other cereals	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.5	0.4	10. Cereal preparations	
—	—	0.4	0.4	0.2	0.1	0.1	0.3	0.1	0.6	0.7	—	—	7.6	9.0	11. Fruit and vegetables	
—	—	—	—	—	—	—	0.8	—	—	—	—	0.2	1.2	1.5	12. Sugar	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.8	0.7	13. Feeding-stuffs	
—	—	—	—	—	—	—	—	—	—	—	—	—	3.0	2.4	14. Other food	
—	—	0.9	0.7	—	—	—	—	—	—	—	—	—	0.3	0.6	15. Tobacco and manufactures	
—	—	—	—	—	—	—	—	—	—	—	—	—	5.4	3.8	16. Oil-seeds, oils and fats	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	17. Wool and hair	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	18. Vegetable fibres	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	19. Crude minerals ^a	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	20. Coal and coke	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	22. Petroleum products	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	23. Fur skins	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	24. Wood and wood products	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	25. Fertilizers	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	26. Other chemicals	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	27. Textiles (yarns, manufactures)	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	28. Cement and bricks	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	29. Glass, glassware and pottery	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	30. Precious metals, excluding gold	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	31. Iron and steel	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	32. Machinery	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	33. Transport equipment	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	34. Instruments and watches	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	35. All other commodities	
—	—	2.8	4.0	—	—	—	—	—	—	—	—	—	2.7	6.4	TOTAL	

TABLE B (continued)
Imports of western European countries
 from eastern Europe
Millions of current dollars, c.i.f.

Country of origin and commodity group	Austria		Belgium-Luxembourg		Denmark		Finland		France		Western Germany		Greece		Iceland		Italy	
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956
Poland																		
1. Livestock	—	0.3	—	—	—	—	—	—	—	—	—	6.7	—	—	—	—	—	0.1 0.1
2. Meat	—	0.1	0.1	0.1	—	—	—	—	0.2	0.1	1.2	4.7	—	0.1	—	—	—	0.6 0.6
3. Butter and margarine	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Eggs	0.4	0.3	0.1	0.1	—	—	—	—	0.1	0.1	4.4	5.7	—	—	—	—	—	1.9 2.1
5. Fish	—	—	—	—	—	0.1	0.1	—	—	—	0.1	0.1	—	—	—	—	—	—
7. Barley	0.3	0.2	—	—	—	—	—	—	—	—	—	—	0.1	—	—	—	—	—
9. Other cereals	—	0.1	0.2	0.2	—	—	—	—	—	—	0.3	0.2	0.2	—	—	—	—	—
10. Cereal preparations	—	—	—	—	—	—	—	—	—	—	—	0.1	0.1	—	—	—	—	—
11. Fruit and vegetables	0.2	—	0.3	0.5	—	0.1	0.1	0.1	0.4	0.4	0.4	1.3	—	—	—	—	0.1 0.4	0.5
12. Sugar	—	—	—	—	—	—	2.1	1.3	—	—	—	—	—	—	—	—	0.1	0.2 0.0
13. Feeding-stuffs	—	—	0.1	0.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14. Other food	—	0.1	—	0.1	—	—	—	—	—	0.1	0.1	0.3	—	—	—	—	—	—
16. Oil-seeds, oils and fats	—	—	—	—	—	—	—	—	—	—	0.1	0.3	—	—	—	—	—	—
17. Wool and hair	—	—	0.4	0.5	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18. Vegetable fibres	—	—	—	0.2	—	—	—	—	—	—	0.1	0.1	—	—	—	—	—	—
19. Crude minerals ^a	—	—	—	—	0.6	1.4	0.7	—	—	—	—	2.3	—	—	—	—	—	0.1
20. Coal and coke	22.4	23.7	—	0.7	11.4	11.9	31.0	34.4	7.6	20.4	11.9	18.4	—	—	—	1.2 0.8	1.8 2.7	—
22. Petroleum products	—	—	—	0.1	—	—	—	—	—	—	0.1	0.5	—	—	—	—	—	0.1
24. Wood and wood products	—	—	2.0	1.3	—	0.1	—	—	—	—	1.0	6.4	6.2	0.1	—	—	1.1 1.3	0.7 0.0
25. Fertilizers	—	—	—	0.5	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—
26. Other chemicals	—	—	0.5	0.4	—	0.4	1.6	0.4	0.4	0.1	1.0	1.4	—	—	—	—	0.2 0.4	0.2 0.0
27. Textiles (yarns, manufactures)	—	—	—	—	0.2	0.6	1.9	1.7	—	—	—	0.1	—	0.1	—	—	—	—
28. Cement and bricks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29. Glass, glassware and pottery	—	—	0.1	0.1	—	0.1	—	0.1	—	—	—	—	—	—	—	—	0.1 0.1	0.3 0.1
30. Precious metals, excluding gold	—	—	—	—	—	—	—	—	—	—	—	0.1	—	—	—	—	—	—
31. Iron and steel	0.5	0.2	—	0.6	—	—	0.3	0.3	—	0.5	0.3	5.4	—	—	—	0.1	—	0.1 0.1
32. Machinery	—	0.1	—	—	—	—	0.1	0.1	—	—	—	0.3	0.1	—	—	—	—	0.2 0.1
33. Transport equipment	—	0.2	—	—	—	—	0.2	0.3	—	—	—	0.3	—	—	—	—	—	—
34. Instruments and watches	—	—	—	—	—	—	0.1	0.1	—	—	—	—	—	—	—	—	—	—
35. All other commodities	0.6	0.4	0.4	0.7	0.8	0.3	0.3	0.5	0.8	0.4	1.6	2.7	0.1	0.1	0.5	0.3	0.4 0.2	0.8 0.0
TOTAL	24.4	25.7	4.2	6.2	12.4	14.2	39.3	40.0	9.5	23.5	28.0	57.3	0.3	0.3	1.7	1.6	6.8	8.7
Rumania																		
1. Livestock	0.3	1.5	—	—	—	—	—	—	—	—	—	2.5	0.1	0.7	—	—	—	2.2
2. Meat	0.1	0.2	—	—	—	—	—	—	—	—	0.1	0.3	—	—	—	0.2	1.3	—
3. Butter and margarine	0.4	0.1	—	—	—	—	—	—	—	—	—	—	0.5	—	—	—	—	0.4
4. Eggs	—	0.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6. Wheat	0.2	—	—	—	—	—	—	—	—	—	—	2.8	—	—	—	—	0.2 0.3	—
8. Maize	3.1	2.8	0.3	0.5	—	—	0.7	0.3	1.5	0.8	1.2	2.8	—	—	—	—	0.2 3.3	0.5
9. Other cereals	—	0.2	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	0.1
11. Fruit and vegetables	—	0.2	—	0.2	—	0.2	—	—	—	—	0.2	0.3	—	0.1	—	—	—	0.6
13. Feeding-stuffs	0.2	0.1	0.1	0.1	0.2	0.5	—	—	—	0.1	0.3	—	—	—	—	—	0.5 1.1	—
14. Other food	—	—	—	—	—	—	—	—	—	—	0.1	0.2	—	—	—	—	—	—
15. Tobacco and manufactures	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—
16. Oil-seeds, oils and fats	—	—	0.2	—	—	—	—	—	—	—	0.1	0.2	0.5	0.1	0.1	—	—	0.3
17. Wool and hair	—	—	—	—	—	—	—	—	—	—	—	0.1	0.2	—	—	—	—	—
18. Vegetable fibres	—	—	0.1	0.1	0.1	—	—	—	—	—	—	—	0.1	—	—	—	—	—
19. Crude minerals ^a	—	—	—	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—
21. Crude petroleum	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
22. Petroleum products	0.9	0.3	0.9	0.8	—	—	25.8	18.3	4.8	5.1	1.5	2.6	2.8	2.7	—	—	1.0 0.8	—
23. Fur skins	—	—	—	—	—	—	—	—	—	—	0.1	0.3	0.3	—	—	—	—	—
24. Wood and wood products	0.3	0.2	0.2	0.2	—	—	0.1	0.2	0.3	0.8	2.8	2.3	2.1	1.5	—	—	4.4 3.2	0.2
26. Other chemicals	—	—	—	—	—	—	—	0.1	—	—	—	0.1	—	—	—	—	—	0.1
27. Textiles (yarns, manufactures)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
28. Cement and bricks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29. Glass, glassware and pottery	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31. Iron and steel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32. Machinery	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	—	0.1	—	—
33. Transport equipment	—	—	0.2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
35. All other commodities	0.2	0.1	—	—	—	—	—	—	0.2	0.1	1.0	1.5	—	—	—	—	0.2 0.1	0.1
TOTAL	5.9	6.2	1.6	2.0	0.2	0.8	26.8	18.8	6.8	7.1	10.6	14.2	5.1	5.2	—	—	6.9	14.0

^a Excluding coal, petroleum and fertilizers.

ABLE B (continued)

from eastern Europe by commodity groups

dollars, c.i.f.

Netherlands	Norway		Sweden		Switzerland		Turkey		United Kingdom		Yugoslavia		Total of 16 countries		Country of origin and commodity group	
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956		
Poland																
— 0.1	—	—	—	—	— 0.1	—	—	—	—	—	—	—	0.1	7.3	1. Livestock	
—	—	—	—	—	— 0.1	—	—	—	29.4	36.8	—	—	31.5	42.6	2. Meat	
—	—	—	—	—	0.2	—	—	—	2.7	—	—	—	2.9	—	3. Butter and margarine	
—	—	—	—	—	1.7	2.2	—	—	2.1	0.6	—	—	10.7	11.1	4. Eggs	
—	—	—	—	—	—	—	—	—	0.1	0.3	—	—	0.3	0.6	5. Fish	
—	—	—	—	—	0.1	—	—	—	—	—	—	—	0.4	0.4	7. Barley	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.4	0.9	9. Other cereals	
—	—	—	—	—	0.4	0.2	0.4	0.5	—	—	—	—	0.9	0.8	10. Cereal preparations	
0.2 0.5	0.2 0.1	—	0.3	1.2	0.4	—	—	—	1.3	1.8	—	—	4.7	6.1	11. Fruit and vegetables	
—	0.7	2.1	—	—	—	—	—	—	0.3	0.5	—	1.1	3.1	5.1	12. Sugar	
—	0.2	—	—	—	—	—	—	—	0.1	0.1	—	—	0.2	0.2	13. Feeding-stuffs	
0.1 0.2	—	—	—	—	—	—	—	—	—	—	—	—	0.1	1.9	14. Other food	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.3	0.5	16. Oil-seeds, oils and fats	
—	—	—	—	—	—	—	—	—	—	—	—	—	1.1	0.9	17. Wool and hair	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	0.4	18. Vegetable fibres	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	4.5	19. Crude minerals ^a	
—	0.2 0.2	0.2 0.4	—	—	—	—	—	—	—	—	—	—	137.1	166.3	20. Coal and coke	
—	0.2 3.8	18.5 22.9	0.7	1.9	—	—	—	—	27.2	20.2	3.2	4.5	—	—	22. Petroleum products	
—	—	1.5 1.5	—	—	—	—	—	—	—	—	—	—	0.1	1.6	24. Wood and wood products	
0.7 0.9	—	0.4 0.4	0.5	0.6	2.7	0.9	12.9	15.6	—	—	—	—	26.8	28.3	25. Fertilizers	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	0.5	26. Other chemicals	
—	0.2 0.3	—	0.6 0.4	1.3 1.4	1.6	1.7	2.6	2.0	0.3	0.4	—	—	10.3	9.3	27. Textiles (yarns, manufactures)	
—	—	0.5 0.6	0.2 0.4	0.1 0.1	3.7	0.2	0.1	0.8	—	—	0.3	—	6.7	5.0	28. Cement and bricks	
—	—	1.3	—	—	—	—	4.0	0.5	—	—	—	—	5.3	0.5	29. Glass, glassware and pottery	
—	0.1 0.3	—	0.1	—	—	0.9	0.2	0.2	0.1	—	—	—	1.4	1.4	30. Precious metals, excluding gold	
—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	0.1	31. Iron and steel	
—	—	0.9 2.2	—	0.1	2.7	0.8	0.9	1.9	0.1	0.2	—	—	5.7	12.6	32. Machinery	
—	—	0.1	—	—	—	1.4	1.8	—	0.1	—	—	—	0.5	3.1	33. Transport equipment	
—	—	0.4	—	—	—	0.4	—	—	—	—	—	—	0.5	1.7	34. Instruments and watches	
—	—	0.2 0.2	0.7 1.0	0.5 0.5	1.8	1.6	1.8	2.7	0.6	0.2	—	—	11.9	12.6	35. All other commodities	
2.1 3.5	3.3 7.6	23.4 29.8	6.7 9.0	19.2 7.9	82.5 84.1	—	4.2 7.9	—	268.0 327.3	—	—	—	—	—	—	TOTAL
Rumania																
— 0.1	—	—	—	—	— 0.1	—	—	—	—	—	0.1	0.4	7.1	1. Livestock		
—	—	—	—	—	— 0.1	—	—	—	—	—	0.1	0.4	1.9	2. Meat		
—	—	—	—	—	— 0.1	—	—	—	—	—	0.1	0.4	0.2	3. Butter and margarine		
—	—	—	—	—	— 0.1	—	—	—	—	—	—	—	1.1	4. Eggs		
0.5 2.2	0.4 0.7	0.5 0.5	1.1 1.1	—	—	—	3.4 3.5	—	0.7	—	12.9	19.2	6. Wheat			
—	—	0.1	—	0.1	—	0.1	—	—	—	—	—	—	0.6	8. Maize		
—	0.2	—	0.1	—	0.1	—	—	2.4 0.1	—	—	—	—	0.2	2.1	9. Other cereals	
—	—	—	—	—	—	—	—	0.1	—	—	—	—	3.7	2.0	11. Fruit and vegetables	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.2	0.2	13. Feeding-stuffs	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	0.1	14. Other food	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	2.1	15. Tobacco and manufactures	
—	—	—	—	—	—	—	—	—	—	—	—	—	1.7	2.1	16. Oil-seeds, oils and fats	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	0.5	17. Wool and hair	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	0.4	18. Vegetable fibres	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	0.4	19. Crude minerals ^a	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.3	0.4	21. Crude petroleum	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.2	1.1	22. Petroleum products	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	0.1	23. Fur skins	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	0.1	24. Wood and wood products	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.3	0.4	26. Other chemicals	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.7	0.4	27. Textiles (yarns, manufactures)	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.2	0.8	28. Cement and bricks	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.3	0.3	29. Glass, glassware and pottery	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.2	—	31. Iron and steel	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.2	—	32. Machinery	
—	—	—	—	—	—	—	—	—	—	—	—	—	0.2	—	33. Transport equipment	
—	—	—	—	—	—	—	—	—	—	—	—	—	2.6	2.0	35. All other commodities	
0.8 2.9	0.8 3.2	5.0 1.2	1.8 2.2	8.1 4.7	9.8 5.1	—	0.7 2.9	—	90.9 90.5	—	—	—	—	—	—	TOTAL

TABLE B (conclu...
 Imports of western European countries
 Millions of current dollars, c.
 1955 1956

Country of origin and commodity group	Austria		Belgium-Luxembourg		Denmark		Finland		France		Western Germany a		Greece		Iceland		Italy	
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956
Soviet Union																		
2. Meat	—	—	—	0.2	—	—	—	—	—	—	—	0.2	—	—	—	—	—	—
5. Fish	—	—	0.4	0.6	—	0.1	0.4	0.3	1.7	3.5	0.4	0.4	0.1	0.2	—	—	—	—
6. Wheat	0.2	0.3	—	0.7	—	1.4	14.4	11.3	—	—	0.6	1.1	—	—	—	—	4.9	0.3
7. Barley	—	—	—	1.7	—	—	—	—	—	—	—	3.1	—	—	—	—	—	0.4
8. Maize	—	—	—	—	—	—	0.5	1.3	0.3	—	—	—	—	—	—	—	—	—
9. Other cereals	0.7	—	0.5	—	—	—	7.4	7.8	—	—	1.2	1.1	—	—	—	—	—	—
10. Cereal preparations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.2	0.2	—
11. Fruit and vegetables	—	—	—	—	—	—	0.3	0.3	—	—	—	—	—	—	—	—	—	—
12. Sugar	—	—	—	—	—	—	9.1	9.0	—	—	—	—	—	—	—	—	—	—
13. Feeding-stuffs	—	0.8	0.2	0.6	5.9	2.5	5.0	4.8	—	—	—	—	—	—	—	0.1	—	—
14. Other food	—	0.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15. Tobacco and manufactures	—	—	—	—	—	—	0.1	0.2	—	—	0.6	1.0	—	—	—	—	—	—
16. Oil-seeds, oils and fats	—	—	—	—	—	—	0.5	0.9	—	—	—	—	—	—	—	—	—	0.1
17. Wool and hair	—	—	0.1	0.4	—	—	—	—	—	—	0.1	0.2	—	—	—	—	—	0.2
18. Vegetable fibres	2.5	2.5	1.9	1.9	—	0.1	7.7	7.8	4.6	6.2	5.4	8.5	—	—	—	5.4	3.8	—
19. Crude minerals b	—	0.1	0.7	1.1	0.4	0.4	2.8	3.6	6.0	10.5	3.0	5.6	—	—	—	0.6	0.4	0.3
20. Coal and coke	—	2.0	2.4	1.6	—	0.2	6.6	9.9	15.2	17.8	1.2	1.5	0.5	1.1	0.3	0.4	4.5	5.2
21. Crude petroleum	—	—	—	—	—	—	—	—	3.4	3.7	—	—	—	—	—	—	2.0	3.8
22. Petroleum products	—	—	1.5	2.5	—	—	7.7	20.2	6.9	8.6	0.8	3.0	0.3	2.2	6.4	8.8	0.6	0.9
23. Fur skins	—	0.1	0.2	0.2	—	0.1	0.5	0.5	2.6	4.2	2.3	3.6	—	—	—	—	—	0.2
24. Wood and wood products	0.2	0.2	14.5	9.0	0.4	0.5	0.6	—	6.5	9.7	10.2	11.4	0.7	0.9	1.4	2.1	0.8	1.0
25. Fertilizers	—	0.7	1.1	0.2	0.5	—	3.4	4.6	—	—	1.4	1.5	—	—	—	—	0.2	0.1
26. Other chemicals	—	—	1.1	0.6	—	—	1.8	1.3	0.2	0.4	2.6	1.0	0.1	—	—	—	0.9	1.4
27. Textiles (yarns, manufactures)	—	—	—	—	—	—	0.2	0.5	—	—	—	—	—	—	—	—	—	—
28. Cement and bricks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1.3	1.6	—
29. Glass, glassware and pottery	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30. Precious metals, excluding gold	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31. Iron and steel	—	0.6	5.1	9.4	0.6	1.0	8.2	11.7	—	0.3	3.8	4.4	—	0.1	0.4	0.7	3.2	4.9
32. Machinery	0.2	0.1	—	—	—	—	0.5	1.0	—	—	—	—	0.1	0.2	—	—	—	0.1
33. Transport equipment	—	0.6	0.1	0.1	—	—	7.5	9.4	—	—	—	—	—	—	0.1	0.4	0.6	—
34. Instruments and watches	—	—	—	—	—	—	—	0.1	0.2	0.1	—	—	—	—	—	—	—	—
35. All other commodities	0.3	0.1	0.2	4.3 c	0.2	0.8	1.8	2.1	0.3	0.4	1.2	4.5	0.1	—	0.1	0.3	—	0.2
TOTAL	4.1	7.2	29.4	35.7	8.4	7.6	87.0	109.4	48.9	65.4	35.9	52.6	1.9	4.8	10.6	14.8	23.1	22.6
Total of 7 countries listed																		
1. Livestock	5.4	5.2	—	—	—	—	—	—	0.4	0.8	1.5	18.1	0.2	0.8	—	—	2.8	6.0
2. Meat	0.9	1.2	0.1	0.3	—	—	—	—	2.2	1.4	4.9	8.7	0.1	0.3	—	—	3.6	4.4
3. Butter and margarine	1.5	0.5	—	—	—	—	—	—	—	—	0.5	0.5	—	—	—	—	0.5	0.2
4. Eggs	0.7	0.9	0.1	0.1	—	—	—	—	0.1	0.1	6.9	10.3	0.3	0.4	—	—	3.6	4.7
5. Fish	—	—	0.4	0.6	—	0.2	0.5	0.3	1.7	3.7	0.5	0.5	0.1	0.2	—	—	—	—
6. Wheat	3.8	0.8	1.9	—	0.7	—	14.4	11.3	—	0.4	5.8	2.2	—	—	—	5.1	0.6	0.3
7. Barley	0.5	0.3	0.5	1.7	—	2.1	—	—	—	—	0.1	3.7	—	—	—	—	0.5	0.9
8. Maize	7.2	8.4	0.3	0.9	—	—	1.2	1.6	1.8	0.8	1.3	6.9	—	—	—	—	0.6	3.7
9. Other cereals	2.6	2.3	0.2	0.7	—	0.5	7.4	7.8	—	0.3	1.4	1.3	—	—	—	—	0.6	0.1
10. Cereal preparations	0.8	0.5	0.6	0.6	—	—	—	0.1	—	1.9	1.7	—	—	0.2	0.3	1.1	1.1	1.0
11. Fruit and vegetables	1.4	1.9	1.3	3.0	—	0.4	1.6	2.3	1.1	1.7	4.9	8.3	0.1	0.6	—	0.1	1.0	2.0
12. Sugar	—	1.0	—	—	—	—	11.9	10.9	—	—	0.3	1.2	0.9	0.5	0.2	0.1	—	0.5
13. Feeding-stuffs	0.2	0.9	0.4	0.8	6.1	3.0	5.3	5.4	—	0.1	0.7	0.1	—	—	0.1	—	0.5	1.1
14. Other food	1.0	1.2	0.8	0.6	—	—	0.6	—	—	0.2	0.9	1.5	—	0.2	—	0.1	—	—
15. Tobacco and manufactures	0.8	1.1	0.3	0.5	—	—	0.5	0.5	—	1.1	1.3	3.0	—	—	—	—	3.4	1.5
16. Oil-seeds, oils and fats	1.4	1.1	0.1	0.2	—	—	0.5	0.9	—	0.2	3.8	2.4	0.1	0.2	—	—	0.1	0.8
17. Wool and hair	—	—	0.6	1.6	—	—	—	—	—	0.1	0.2	0.4	—	—	—	—	—	0.2
18. Vegetable fibres	2.5	2.7	2.1	2.2	—	0.1	7.7	7.8	4.6	6.2	5.6	8.9	—	—	—	—	5.4	3.8
19. Crude minerals b	0.9	1.2	0.8	1.5	0.9	1.5	4.7	4.6	6.0	10.6	7.6	11.8	—	—	—	—	1.0	1.1
20. Coal and coke	33.1	36.9	2.4	2.3	14.6	15.1	37.9	44.7	22.8	38.2	20.0	30.3	0.5	1.1	1.5	1.2	6.6	8.1
21. Crude petroleum	—	—	—	—	—	—	—	—	3.4	3.7	—	—	—	—	—	—	—	3.1
22. Petroleum products	—	2.8	2.4	3.6	—	—	33.8	38.7	12.2	14.4	3.4	8.7	3.1	5.0	6.4	8.8	2.0	2.0
23. Fur skins	0.2	0.4	0.3	0.2	—	0.1	1.0	1.8	2.6	4.3	2.7	4.1	—	—	—	—	—	0.2
24. Wood and wood products	0.5	0.6	18.9	11.9	0.7	1.0	1.0	0.3	8.2	12.9	22.9	24.6	3.2	3.0	1.5	2.5	9.5	8.2
25. Fertilizers	1.7	2.4	3.1	3.4	3.8	3.6	7.2	7.0	—	—	1.4	1.5	0.4	1.3	0.1	—	0.9	0.6
26. Other chemicals	1.1	2.0	2.7	2.5	0.9	1.2	7.4	5.4	1.3	1.8	7.5	7.6	0.4	—	—	—	3.0	3.8
27. Textiles (yarns, manufactures)	—	0.3	0.7	1.1	3.5	5.3	10.4	10.4	—	0.3	1.8	2.0	0.6	1.8	0.6	1.5	1.9	0.3
28. Cement and bricks	—	0.2	0.1	0.2	0.3	1.0	0.8	0.3	—	0.1	0.6	1.2	0.3	0.4	1.5	1.9	0.3	0.6
29. Glass, glassware and pottery	0.5	0.7	0.9	0.8	2.1	2.4	0.4	0.6	0.4	0.5	0.6	0.5	0.1	0.1	0.3	0.5	3.8	4.0
30. Precious metals, excluding gold	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31. Iron and steel	2.5	6.7	5.4	10.4	2.5	3.9	11.7	15.8	—	1.0	5.0	18.0	0.1	1.2	1.0	1.6	3.2	5.8
32. Machinery	2.8	3.5	1.8	2.5	1.4	1.7	9.3	8.8	1.8	2.5	0.9	2.4	1.3	2.6	0.1	0.7	2.0	2.3
33. Transport equipment	1.8	2.8	1.1	1.1	0.6	0.5	16.3	17.9	0.3	0.3	0.2	1.5	0.5	0.6	0.6	1.1	0.3	0.1
34. Instruments and watches	0.1	0.3	0.3	0.4	0.6	0.5	2.9	2.4	0.4	0.3	—	—	0.1	—	0.1	—	0.1	0.3
35. All other commodities	4.5	2.7	1.8	10.2	4.1	3.5	8.1	7.9	5.2	3.5	9.2	17.6	0.7	1.0	3.1	3.1	3.4	2.3
TOTAL	83.4	93.0	52.5	66.0	43.5	47.4	204.0	216.3	83.8	115.1	127.5	212.3	13.0	21.4	17.2	23.8	66.9	74.1

Sources: *Commodity Trade Statistics*, Statistical papers, Series D, January-December 1955 and 1956, United Nations, New York; *OEEC, Statistical Bulletins*, Series IV, and national trade statistics.

a Imp.
b Exc.

B (concluded)

from eastern Europe by commodity groups

dollars, c.i.f.

Netherlands	Norway		Sweden		Switzerland		Turkey		United Kingdom		Yugoslavia		Total of 16 countries		Country of origin and commodity group			
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956				
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956				
Soviet Union																		
— 0.3	—	—	0.2	0.7	1.4	1.6	—	—	6.8	5.0	—	—	1.6	3.0	2. Meat			
0.1 0.2	—	0.1	1.3	1.4	—	0.1	—	—	2.6	0.5	—	35.3	11.2	11.9	5. Fish			
0.3 0.6	8.7	7.2	—	—	—	—	—	—	0.7	0.7	—	—	32.7	56.3	6. Wheat			
— 6.0	0.7	1.4	0.6	0.8	0.1	2.3	—	—	—	—	—	—	2.1	17.8	7. Barley			
— 0.9	0.6	0.8	0.5	0.6	—	—	—	—	—	—	—	—	1.9	3.6	8. Maize			
— 1.1	0.9	2.2	1.4	1.3	—	0.1	—	—	—	—	0.5	0.8	12.1	14.9	9. Other cereals			
—	—	—	—	—	—	—	—	—	—	—	—	—	0.2	0.2	10. Cereal preparations			
—	—	—	—	—	0.1	—	—	—	—	—	—	—	0.4	0.3	11. Fruit and vegetables			
—	—	1.0	2.2	1.6	0.1	—	0.1	—	—	—	0.1	—	13.8	11.2	12. Sugar			
—	—	—	—	—	0.1	—	—	—	—	—	—	—	—	—	13. Feeding-stuffs			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	14. Other food			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	15. Tobacco and manufactures			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	16. Oil-seeds, oils and fats			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	17. Wool and hair			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	18. Vegetable fibres			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	19. Crude minerals ^b			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	20. Coal and coke			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	21. Crude petroleum			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	22. Petroleum products			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	23. Fur skins			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	24. Wood and wood products			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	25. Fertilizers			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	26. Other chemicals			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	27. Textiles (yarns, manufactures)			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	28. Cement and bricks			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	29. Glass, glassware and pottery			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	30. Precious metals, excluding gold			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	31. Iron and steel			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	32. Machinery			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	33. Transport equipment			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	34. Instruments and watches			
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	35. All other commodities			
30.2	42.2	17.6	21.2	31.8	42.2	8.4	10.0	8.3	5.2	175.8	154.3	14.4	70.4	535.8	665.6	TOTAL		
Total of 7 countries listed																		
— 0.2	—	—	—	—	1.2	2.8	—	—	—	—	0.1	11.5	34.0	1. Livestock				
— 0.9	—	—	0.2	0.7	1.6	2.5	—	—	30.0	38.3	—	43.6	58.7	2. Meat				
—	—	—	—	—	0.6	0.7	—	—	3.4	1.2	0.7	7.2	3.8	3. Butter and margarine				
—	—	—	—	—	3.1	3.7	—	—	3.2	1.5	—	18.0	21.7	4. Eggs				
—	0.1	0.2	—	0.1	1.3	1.4	—	0.1	—	6.9	5.3	—	11.5	12.6	5. Fish			
—	0.3	0.6	8.7	7.2	0.1	—	0.1	1.6	—	2.8	0.5	—	43.7	60.5	6. Wheat			
—	0.2	0.6	0.7	1.5	0.6	0.8	0.5	3.3	—	0.7	0.7	—	4.3	21.2	7. Barley			
—	0.5	3.2	1.0	1.5	1.0	1.2	1.9	1.4	—	3.4	3.5	—	20.2	34.4	8. Maize			
—	1.2	0.9	2.2	1.4	1.4	—	0.2	—	—	—	0.5	0.8	15.0	18.8	9. Other cereals			
—	1.0	0.9	0.3	0.3	1.3	0.6	3.4	5.3	—	—	0.2	—	10.6	11.7	10. Cereal preparations			
—	0.7	2.1	0.4	0.4	0.1	0.9	2.7	1.9	—	3.9	3.4	—	19.2	29.0	11. Fruit and vegetables			
—	—	4.6	9.9	0.5	—	2.1	—	—	—	0.4	0.5	—	2.7	20.9	12. Sugar			
—	—	1.0	2.4	1.6	0.1	—	0.1	—	—	2.8	0.3	—	0.2	18.7	14.5	13. Feeding-stuffs		
—	—	—	—	—	0.1	0.1	2.5	—	—	0.2	0.1	—	—	3.6	6.7	14. Other food		
—	—	—	—	—	0.1	0.1	0.1	—	—	—	—	—	—	6.4	7.9	15. Tobacco and manufactures		
—	1.5	1.3	—	—	0.1	0.3	0.2	—	—	1.9	0.7	1.5	1.8	11.2	9.9	16. Oil-seeds, oils and fats		
—	0.2	0.5	—	—	—	0.1	0.1	—	—	1.4	5.2	—	—	2.5	7.9	17. Wool and hair		
—	3.8	1.4	0.1	—	1.6	0.6	0.2	0.2	—	19.2	12.6	4.5	1.2	54.9	46.4	18. Vegetable fibres		
—	1.1	0.5	0.4	2.5	2.9	4.3	4.8	0.4	0.6	0.3	5.6	10.0	1.3	2.0	36.5	53.3	19. Crude minerals ^b	
—	8.1	3.1	4.5	0.4	4.4	22.8	30.1	1.1	2.7	—	27.2	20.2	5.8	20.6	199.8	260.4	20. Coal and coke	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	21. Crude petroleum		
—	—	0.2	0.5	2.5	22.3	20.5	1.0	0.5	—	0.1	1.7	1.8	1.0	1.9	92.8	111.4	22. Petroleum products	
—	—	0.2	0.3	—	—	1.1	1.1	—	—	18.4	24.5	—	—	26.5	36.8	23. Fur skins		
—	19.1	21.6	0.1	1.1	0.4	0.4	5.6	3.9	11.2	4.9	110.3	93.8	2.1	0.8	215.2	191.5	24. Wood and wood products	
—	3.9	3.9	1.8	2.8	3.0	4.2	0.5	0.4	—	—	3.9	2.7	1.0	1.3	32.7	35.1	25. Fertilizers	
—	3.8	2.1	—	—	0.1	4.4	5.1	6.5	6.9	4.8	6.8	5.6	4.2	2.2	49.9	53.0	26. Other chemicals	
—	0.3	1.4	2.4	2.6	3.8	5.7	8.4	0.5	0.9	17.8	3.7	0.9	3.9	—	1.1	46.5	47.2	27. Textiles (yarns, manufactures)
—	0.5	0.6	0.7	1.5	0.2	0.2	1.3	1.2	12.1	4.9	—	0.1	0.2	0.3	20.3	13.2	28. Cement and bricks	
—	2.5	3.0	0.8	0.9	1.0	0.8	2.0	1.9	4.4	2.7	1.0	0.5	0.2	0.4	21.0	20.3	29. Glass, glassware and pottery	
—	17.5	20.2	—	—	—	—	1.2	1.0	—	—	10.6	1.7	—	—	0.1	37.8	27.6	30. Precious metals, excluding gold
—	2.4	2.7	0.4	1.0	2.7	13.0	1.0	1.8	9.2	3.2	15.4	23.0	2.1	5.1	64.6	114.2	31. Iron and steel	
—	3.1	4.2	1.3	1.8	1.8	2.3	1.3	2.1	14.9	17.0	1.1	1.7	2.6	7.3	47.5	63.4	32. Machinery	
—	0.1	0.9	1.5	4.9	5.3	0.4	2.9	0.5	0.3	2.7	6.3	—	—	1.1	4.4	32.2	46.6	33. Transport equipment
—	0.3	0.8	1.2	1.2	1.1	0.5	0.6	0.6	1.3	—	0.1	0.2	1.3	8.7	10.7	34. Instruments and watches		
—	6.9	6.1	3.5	1.9	4.1	4.9	5.0	4.4	13.5	8.3	12.7	15.0	1.9	4.3	87.7	96.7	35. All other commodities	
70.9	93.0	39.2	55.4	85.1	107.8	46.4	56.0	91.2	59.5	294.6	277.0	32.4	104.9	1351.6	1623.0	TOTAL		

^a Imports of western Germany from eastern Germany are not included.^b Excluding coal, petroleum and fertilizers.

TABLE C

Exports from western European countries to eastern Europe, by commodity groups

Millions of current dollars, f.o.b.

Exporting country and commodity group	Bulgaria		Czecho- slovakia		Eastern Germany		Hungary		Poland		Romania		Soviet Union		Total eastern Europe	
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956
Austria																
7. Fruit and vegetables	—	—	—	0.2	0.1	—	—	6.3	—	—	—	—	—	—	0.1	0.2
12. Timber and manufactures	—	—	—	—	1.0	1.6	3.6	—	—	0.1	—	—	0.2	0.7	4.8	8.7
14. Wood-pulp	0.2	0.2	—	—	0.1	0.2	0.8	0.7	0.4	—	—	—	—	—	1.5	1.1
15. Paper and manufactures	0.1	0.1	—	0.1	—	0.1	1.4	0.9	0.2	0.4	0.2	0.6	0.3	—	2.2	2.2
18. Other vegetable fibres	—	—	—	—	0.2	0.2	—	—	—	—	—	—	—	—	0.2	0.2
19. Synthetic fibres	0.2	0.3	—	—	—	—	0.2	1.1	0.6	0.1	0.2	0.1	—	—	1.2	1.6
20. Textile waste	—	—	—	—	—	0.2	—	—	—	—	—	—	—	—	—	0.2
21. Iron ore	—	—	0.4	0.6	—	—	—	—	—	—	—	—	—	—	0.4	0.6
22. Crude minerals ^a	—	—	0.3	0.3	—	0.1	0.4	0.9	0.5	0.6	—	—	—	—	1.2	1.9
24. Chemicals, colours, explosives	—	0.8	3.7	1.7	0.4	0.8	1.0	2.0	0.2	0.3	—	0.8	—	0.2	5.3	6.6
27. Yarn and thread	—	—	0.5	0.1	0.4	0.5	0.3	0.1	—	0.2	0.7	0.7	—	0.5	1.9	2.1
28. Textile manufactures	—	—	0.1	0.3	0.1	0.3	0.7	—	0.2	0.6	0.6	—	0.4	—	1.2	2.1
29. Iron and steel	1.4	2.4	1.6	5.9	5.1	7.6	4.9	4.5	3.7	6.5	1.6	2.6	0.2	1.0	18.5	30.5
30. Non-ferrous metals	—	—	—	0.1	—	—	0.2	0.2	0.9	—	—	—	—	0.2	0.2	1.4
31. Metal manufactures	1.0	0.9	0.4	3.9	1.1	1.0	0.5	0.5	1.0	1.5	0.6	0.3	0.1	2.6	4.7	10.7
32. Generating machinery, except electric	0.2	0.2	—	—	0.2	2.1	0.2	0.1	3.0	5.8	—	—	0.9	1.8	4.5	10.0
33. Metalworking machinery	—	0.1	—	0.3	0.1	0.1	—	—	—	—	—	0.1	—	0.5	0.1	1.1
34. Other machinery, except electric	0.3	0.2	—	1.0	1.0	0.5	0.7	0.6	2.0	4.0	—	0.1	0.7	1.2	4.7	7.6
35. Electric machinery	0.3	0.3	0.5	0.7	0.2	0.4	0.2	0.2	1.7	2.1	—	0.1	0.8	2.3	3.7	6.1
36. Railway vehicles	—	—	—	—	—	—	—	0.5	—	1.2	—	—	—	1.1	—	2.8
37. Road vehicles and aircraft	0.3	—	—	—	0.1	—	—	—	—	—	0.2	—	—	0.7	0.4	1.1
38. Ships and boats	—	—	—	—	—	—	—	—	—	—	—	0.3	1.3	0.4	1.3	0.7
39. Footwear, clothing, travel goods	—	0.1	0.1	0.1	0.7	0.5	—	—	—	—	0.1	—	—	—	0.8	0.8
40. Instruments and watches	—	—	—	0.1	—	—	—	—	0.3	0.1	—	—	—	0.1	0.3	0.3
41. All other commodities	0.4	0.4	2.9	3.8	1.0	0.8	0.9	0.7	3.5	2.7	0.4	0.7	0.4	0.9	9.5	10.0
TOTAL	4.4	6.1	10.7	19.0	12.0	17.4	15.1	19.5	17.9	27.4	3.7	6.8	5.6	13.9 ^b	69.4	110.1
Belgium-Luxembourg																
2. Butter	—	—	—	—	0.8	—	0.9	—	—	—	—	—	—	—	1.7	—
4. Fish	—	—	—	—	0.1	—	—	—	—	—	0.1	0.1	—	—	0.2	0.1
6. Other cereals	—	—	—	—	0.3	—	—	—	—	—	0.6	—	—	—	0.9	—
7. Fruit and vegetables	—	—	—	0.1	0.1	—	—	—	—	—	—	—	0.7	—	0.7	—
8. Sugar and preparations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9. Colonial products	—	—	—	—	—	—	0.1	—	—	—	—	—	—	—	0.1	—
11. Oil-seeds	—	—	—	—	—	—	—	—	0.2	0.2	0.1	0.1	—	—	0.3	0.3
12. Timber and manufactures	—	—	—	—	0.4	0.4	—	—	—	—	0.1	—	—	—	0.4	0.5
15. Paper and manufactures	—	—	—	—	—	—	0.2	0.1	0.6	—	—	—	—	—	0.8	0.7
16. Wool and hair	0.1	0.5	1.9	1.3	0.6	0.4	2.4	2.6	0.8	0.7	0.3	0.2	0.1	—	6.2	5.7
17. Cotton	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	0.1
18. Other vegetable fibres	—	—	3.1	2.2	0.3	0.5	1.4	0.8	2.9	2.6	0.1	0.1	—	—	7.8	6.2
19. Synthetic fibres	—	—	—	—	—	—	—	—	—	—	—	—	0.5	—	0.5	—
20. Textile waste	—	0.2	0.3	0.3	0.1	0.1	—	—	0.1	0.4	0.2	—	—	—	0.8	0.9
22. Crude minerals ^a	—	0.2	—	0.1	—	0.1	—	0.8	—	—	—	—	—	—	—	1.2
23. Animal and vegetable oils and fats	—	—	0.2	—	0.1	—	0.9	—	—	—	0.1	—	—	—	1.3	—
24. Chemicals, colours, explosives	0.4	—	0.3	0.2	0.4	0.2	0.8	1.1	0.3	0.3	—	—	—	—	2.2	1.8
25. Drugs	—	—	0.1	0.1	0.1	—	—	—	0.1	0.1	0.3	0.1	—	—	0.6	0.3
26. Fertilizers	—	—	—	—	1.3	1.5	—	—	1.2	2.3	—	—	—	—	2.5	3.8
27. Yarn and thread	—	0.1	0.9	1.3	0.3	0.2	1.2	0.7	0.3	—	—	0.2	—	—	2.9	2.3
28. Textile manufactures	—	—	—	—	0.2	0.1	—	—	1.2	0.2	0.3	—	—	—	1.7	0.3
29. Iron and steel	0.3	0.2	0.2	1.1	1.6	2.1	0.9	0.2	4.9	8.7	1.3	0.9	0.3	13.1	9.5	26.3
30. Non-ferrous metals	—	—	—	0.6	1.5	—	—	0.1	0.1	0.6	1.1	—	3.5 ^c	3.3 ^c	4.8	6.0
31. Metal manufactures	—	0.1	—	—	0.1	—	0.2	0.1	0.1	—	0.1	—	0.1	1.8	0.6	2.0
32. Generating machinery, except electric	—	—	—	—	—	—	—	—	—	—	—	2.7	3.7	2.7	3.7	—
34. Other machinery, except electric	—	—	—	0.1	0.1	—	—	—	0.1	0.3	—	—	1.8	1.3	2.0	1.7
35. Electric machinery	—	—	0.3	0.4	—	0.1	—	—	0.1	0.1	0.3	—	1.1	0.6	1.8	1.2
36. Railway vehicles	—	—	—	—	—	—	—	—	—	—	—	—	0.3	0.1	0.3	0.1
37. Road vehicles and aircraft	—	—	—	—	—	—	—	—	—	0.1	0.4	—	—	—	0.1	0.4
38. Ships and boats	—	—	—	—	—	—	—	—	—	—	—	—	5.6	7.0	5.6	7.0
39. Footwear, clothing, travel goods	—	—	—	—	—	—	—	—	—	0.6	0.2	—	—	—	0.6	0.2
40. Instruments and watches	—	—	0.3	0.3	0.1	—	0.3	0.3	0.9	1.5	—	—	0.5	0.1	2.1	2.2
41. All other commodities	—	—	0.4	0.4	0.6	0.9	1.0 ^d	0.4	—	0.3	—	—	—	0.2	2.0	2.2
TOTAL	0.8	1.3	8.6	9.4	7.6	6.7	10.4	7.3	15.4	19.9	3.6	1.5	16.9	31.7	63.3	77.8

^a Excluding coal, petroleum and fertilizers.^b Excluding war reparations to the Soviet Union amounting to \$52.2 million.^c Of which copper exports to the value of \$3.5 million in 1955 and \$3.3 million in 1956.^d Of which coal exports to the value of \$0.9 million.

TABLE C (continued)

Exports from western European countries to eastern Europe, by commodity groups

Millions of current dollars, f.o.b.

Exporting country and commodity group	Bulgaria		Czechoslovakia		Eastern Germany		Hungary		Poland		Rumania		Soviet Union		Total eastern Europe	
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956
Denmark ^a																
1. Meat	0.1	0.1	2.4	0.3	4.2	2.1	—	—	0.2	0.1	—	—	2.5	—	9.4	2.6
2. Butter	—	—	1.4	0.9	3.2	3.2	0.3	0.2	—	—	—	—	—	—	4.9	4.3
3. Other dairy products, eggs and honey	—	—	—	0.5	1.5	1.1	—	—	—	—	0.4	0.1	0.4	—	2.3	1.7
4. Fish	—	—	0.9	0.6	1.1	1.3	—	0.1	—	—	0.1	—	—	—	2.1	2.0
6. Other cereals	—	—	—	0.2	1.2	0.9	—	—	—	—	—	—	—	—	1.2	1.1
7. Fruit and vegetables	—	—	0.4	0.2	1.4	1.8	—	—	—	—	—	—	—	—	1.8	2.0
8. Sugar and preparations	—	—	—	—	—	—	—	0.4	—	—	—	—	—	—	—	0.4
11. Oil-seeds	—	—	—	0.2	—	—	—	—	—	—	—	—	—	—	—	0.2
15. Paper and manufactures	—	—	—	—	—	—	—	—	0.2	0.2	—	—	—	—	0.2	0.2
16. Wool and hair	—	—	—	—	0.2	0.1	—	—	—	—	—	—	—	—	0.2	0.1
20. Textile waste	—	—	—	—	0.2	0.1	0.1	0.1	0.1	0.3	—	—	—	—	0.4	0.5
22. Crude minerals ^b	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	0.1
23. Animal and vegetable oils and fats	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	0.1
24. Chemicals, colours, explosives	—	—	—	0.1	—	—	—	0.1	—	—	—	—	—	—	—	0.2
25. Drugs	—	—	0.2	0.2	—	—	0.2	0.2	—	0.1	—	—	—	—	0.4	0.5
30. Non-ferrous metals	—	—	—	—	—	—	0.5	0.5	—	0.6	—	—	—	—	0.5	1.1
32. Generating machinery, except electric	—	—	—	0.3	—	—	—	—	0.9	1.1	—	—	0.1	—	0.9	1.5
34. Other machinery, except electric	—	—	—	0.1	—	—	—	—	0.5	0.9	—	0.1	0.4	0.2	0.9	1.3
35. Electric machinery	—	—	—	0.2	—	—	—	—	0.5	0.6	—	—	0.1	0.3	0.6	1.1
37. Road vehicles and aircraft	—	—	—	—	—	0.1	0.2	—	—	—	—	—	—	—	0.2	0.1
38. Ships and boats	—	—	—	—	—	—	—	—	0.4	—	—	—	6.3	4.9	6.7	4.9
41. All other commodities	0.1	—	0.3	0.4	1.0	0.8	0.4	0.2	0.7	0.3	0.1	0.2	0.1	0.3	2.7	2.2
TOTAL	0.2	0.1	5.6	4.4	14.0	11.5	1.7	1.8	3.5	4.2	0.6	0.4	9.8	5.8	35.4	28.2
Finland																
1. Meat	—	—	0.7	—	0.1	—	—	—	—	—	—	—	—	—	0.8	—
3. Other dairy products, eggs and honey	—	—	1.0	0.4	4.0	2.9	—	—	—	—	—	0.3	0.2	—	5.3	3.5
12. Timber and manufactures	—	—	2.6	4.8	7.3	8.5	4.8	5.6	0.1	0.1	—	—	17.7	20.0	32.5	39.0
13. Prefabricated buildings	—	—	—	0.4	0.8	—	—	—	—	—	—	—	8.4	—	8.8	0.8
14. Wood-pulp	0.3	0.5	1.8	1.5	1.1	1.6	0.6	0.8	8.6	8.3	0.4	0.3	3.2	7.4	16.0	20.4
15. Paper and manufactures	0.3	0.2	0.5	0.8	3.5	2.9	0.4	0.4	0.8	1.4	1.4	1.2	20.5	30.2	27.4	37.1
16. Wool and hair	—	—	0.1	—	0.1	0.1	—	—	—	—	—	—	—	—	0.2	0.1
19. Synthetic fibres	—	—	—	—	—	—	—	—	2.0	2.6	2.2	2.0	1.8	1.5	6.0	6.1
20. Textile waste	—	—	—	—	0.1	—	—	—	—	—	—	—	—	—	0.1	—
21. Iron ore	—	—	0.2	0.2	0.1	0.2	—	—	1.5	2.0	—	—	—	—	1.8	2.4
22. Crude minerals ^b	—	—	0.1	0.1	0.6	0.1	—	—	0.2	0.3	—	—	—	—	0.9	0.5
24. Chemicals, colours, explosives	—	—	0.1	—	0.1	—	—	—	—	0.2	—	0.1	0.6	0.3	0.8	—
27. Yarn and thread	—	—	—	—	0.1	—	—	—	—	—	—	—	—	—	0.1	—
29. Iron and steel	—	—	—	—	—	—	—	—	—	—	—	0.1	—	0.1	—	—
30. Non-ferrous metals ^c	—	—	—	—	—	—	—	—	1.7	1.9	—	—	0.2	0.3	1.9	2.2
31. Metal manufactures	—	—	—	—	—	—	—	—	—	—	—	4.8	6.7	4.8	6.7	—
32. Generating machinery, except electric	—	—	—	—	—	—	—	—	—	—	—	6.1	2.9	6.1	2.9	—
33. Metalworking machinery	—	—	0.1	0.7	—	—	—	0.2	0.2	0.1	1.1	—	14.3	19.2	15.7	20.2
35. Electric machinery	—	—	—	—	—	—	—	—	—	—	—	—	1.4	1.2	1.4	1.2
36. Railway vehicles	—	—	—	—	—	—	—	—	—	—	—	—	0.9	1.1	0.9	1.1
38. Ships and boats	—	—	—	—	—	—	—	—	—	—	—	—	57.6	55.0	57.6	55.0
39. Footwear, clothing, travel goods	—	—	—	—	—	—	—	—	0.2	—	—	—	—	—	0.2	—
41. All other commodities	—	—	0.5	0.3	0.1	0.6	—	—	0.4	0.5	0.1	0.1	0.5	2.3	1.6	3.8
TOTAL	0.6	0.7	8.1	9.6	17.2	16.9	5.8	7.0	15.7	17.4	5.2	3.6	137.9	148.6	190.5	203.8

^a On the basis of country of sale. In addition, the Faroe Islands exported fish to the value of \$0.2 and \$0.7 million to the U.S.S.R. in 1955 and 1956 respectively.^b Excluding coal, petroleum and fertilizers.^c Exports of metals, other than copper, are nil.

TABLE C (continued)

Exports from western European countries to eastern Europe, by commodity groups

Millions of current dollars, f.o.b.

Exporting country and commodity group	Bulgaria		Czechoslovakia		Eastern Germany		Hungary		Poland		Rumania		Soviet Union		Total eastern Europe		
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	
France																	
1. Meat	—	—	0.6	—	—	—	1.1	—	—	—	—	—	5.7	—	7.4	—	
2. Butter	—	—	1.0	—	1.0	—	—	—	—	—	—	—	—	—	2.0	—	
5. Wheat	—	—	—	1.8	—	—	14.6	4.8	12.7	9.3	2.7	—	—	—	30.0	15.9	
6. Other cereals	—	—	—	—	0.4	—	6.1	3.6	2.9	3.2	—	—	—	—	9.0	7.2	
7. Fruit and vegetables	—	—	0.1	0.1	0.3	0.1	—	—	—	—	—	—	—	—	0.4	0.2	
8. Sugar and preparations	—	—	—	—	—	—	1.0	0.8	—	—	—	—	4.4	—	5.4	0.8	
12. Timber and manufactures	—	—	—	0.1	0.2	0.2	0.5	0.2	0.1	0.2	—	—	—	—	0.8	0.7	
15. Paper and manufactures	—	—	—	—	—	—	—	—	—	—	—	—	0.4	—	0.4	—	
16. Wool and hair	—	—	—	1.3	0.8	0.1	0.4	0.8	1.3	2.9	1.1	0.2	0.1	—	5.3	3.7	
17. Cotton	—	—	—	—	—	—	—	0.2	0.1	—	—	—	—	—	0.2	0.1	
18. Other vegetable fibres	—	—	0.1	0.2	—	—	0.2	0.2	—	—	—	—	—	—	0.3	0.4	
19. Synthetic fibres	—	—	—	—	0.1	—	—	—	—	—	—	—	0.5	—	0.5	0.1	
20. Textile waste	—	—	—	—	—	—	0.1	0.1	—	0.2	0.2	—	—	—	0.3	0.3	
23. Animal and vegetable oils and fats	—	—	0.1	—	—	—	0.2	0.2	—	—	—	—	—	—	0.2	0.3	
24. Chemicals, colours, explosives	—	—	0.2	0.4	0.7	0.3	0.3	0.4	0.8	0.6	0.6	0.1	0.4	2.2	3.5	4.0	6.5
25. Drugs	—	—	0.1	—	0.1	—	—	—	0.3	0.5	0.3	0.5	—	—	0.6	1.2	
26. Fertilizers	—	—	—	—	0.3	—	—	—	—	—	—	0.1	—	—	0.4	—	
27. Yarn and thread	0.3	0.4	0.7	0.3	—	—	1.2	0.3	—	0.8	0.2	0.1	—	—	2.4	1.9	
28. Textile manufactures	—	—	0.1	0.2	0.2	0.2	0.4	0.2	0.4	0.1	—	0.2	1.0	—	2.1	0.9	
29. Iron and steel	0.4	1.7	0.1	0.2	—	2.0	2.8	3.0	11.1	9.6	3.2	2.4	10.0	14.5	27.6	33.4	
30. Non-ferrous metals	—	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	0.1	
31. Metal manufactures	—	—	—	—	—	—	0.1	—	—	0.3	0.2	—	—	1.5	—	1.8	0.3
32. Generating machinery, except electric	—	—	—	—	—	—	—	—	—	0.5	0.7	—	—	0.5	—	1.0	0.7
33. Metalworking machinery	—	—	—	—	—	—	0.1	—	—	—	—	—	—	—	0.1	—	0.2
34. Other machinery, except electric	—	—	0.1	0.2	—	0.1	—	0.1	1.7	0.9	—	0.1	6.9	5.2	8.7	6.6	
35. Electric machinery	—	—	—	0.2	—	—	—	0.1	0.7	0.8	—	—	1.0	0.7	1.7	1.8	
36. Railway vehicles	—	—	—	—	—	—	—	—	—	0.2	0.7	—	—	—	0.2	0.7	
37. Road vehicles and aircraft	—	—	0.5	0.7	—	—	—	—	—	1.9	1.7	—	0.1	—	2.4	2.5	
38. Ships and boats	—	—	—	—	—	—	—	—	—	—	—	—	—	—	14.9	14.9	
39. Footwear, clothing, travel goods	—	—	—	—	0.1	0.5	0.8	0.2	—	0.3	0.2	—	—	—	0.3	0.2	
40. Instruments and watches	—	—	0.4	0.5	1.5	1.7	2.8	0.6	1.2	0.5	1.4	1.2	0.6	0.4	1.3	9.2	5.2
41. All other commodities	—	—	0.4	0.5	1.5	1.7	2.8	0.6	1.2	0.5	1.4	1.2	0.6	0.4	1.3	9.2	5.2
TOTAL	1.1	3.0	6.5	7.6	5.7	5.4	31.0	16.2	38.7	32.4	7.4	4.4	36.0	39.3	126.4	108.3	
Western Germany ^a																	
1. Meat	—	—	0.2	—	—	—	—	—	—	—	—	—	—	—	0.2	—	
3. Other dairy products, eggs and honey	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	0.1	
4. Fish	—	—	0.1	—	—	—	—	—	—	—	0.3	—	—	—	0.4	—	
6. Other cereals	—	—	—	0.1	—	—	6.6	6.3	0.9	18.4	—	—	—	—	7.5	24.8	
7. Fruit and vegetables	—	—	0.2	0.2	—	—	0.1	—	—	—	0.2	—	0.1	—	0.6	0.2	
11. Oil-seeds	—	—	0.1	0.1	—	—	—	—	0.1	—	—	—	—	—	0.2	0.1	
12. Timber and manufactures	—	—	—	—	—	—	0.5	0.1	—	—	—	—	—	—	0.5	0.1	
15. Paper and manufactures	—	—	0.1	0.4	—	—	0.5	0.4	0.1	—	—	—	0.5	—	1.2	0.8	
16. Wool and hair	—	—	0.4	0.2	—	—	0.1	0.2	0.4	0.1	0.4	0.1	—	—	1.3	0.6	
17. Cotton	—	—	—	—	—	—	0.1	—	—	—	—	—	—	—	0.1	—	
18. Other vegetable fibres	—	—	—	—	—	—	0.6	0.5	—	—	—	—	—	—	0.6	0.5	
19. Synthetic fibres	—	—	0.1	0.5	—	—	0.8	0.5	0.2	0.4	0.9	—	—	1.5	2.0	2.9	
21. Iron ore	—	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	0.1	
22. Crude minerals ^b	—	—	—	0.3	0.1	—	0.1	0.2	0.1	0.1	—	—	—	—	0.5	0.4	
23. Animal and vegetable oils and fats	—	—	—	—	—	—	2.2	—	—	0.1	0.1	0.6	—	—	2.3	0.7	
24. Chemicals, colours, explosives	0.5	1.2	3.5	5.6	—	—	4.7	2.8	5.2	5.9	3.4	3.2	0.6	2.3	17.9	21.0	
25. Drugs	0.1	0.2	0.2	0.3	—	—	0.1	0.1	0.4	0.6	0.7	1.3	0.1	0.2	1.6	2.7	
26. Fertilizers	—	—	—	0.8	—	—	—	—	—	—	—	—	—	—	0.8	—	
27. Yarn and thread	—	—	—	0.4	0.5	—	1.4	0.6	—	0.3	2.6	0.6	—	0.3	4.4	2.3	
28. Textile manufactures	—	—	—	0.1	0.1	—	0.8	0.2	—	—	0.2	0.2	—	—	1.1	0.5	
29. Iron and steel	2.7	2.5	2.0	15.8	—	—	3.7	2.8	7.0	14.0	1.5	2.6	0.5	21.3	17.4	59.0	
30. Non-ferrous metals ^c	—	0.1	3.0	5.0	—	—	1.1	1.4	2.9	14.0	0.8	—	7.8	5.5	15.6	26.0	
31. Metal manufactures	0.3	0.4	0.1	0.2	—	—	0.6	0.3	1.3	2.2	0.2	0.4	—	0.2	2.5	3.7	
32. Generating machinery, except electric	0.2	0.2	0.2	0.3	—	—	0.5	0.6	1.4	0.9	0.1	0.1	—	0.2	2.4	2.3	
33. Metalworking machinery	0.1	0.1	0.1	0.3	—	—	0.2	0.1	0.2	0.5	—	—	—	—	0.9	0.6	
34. Other machinery, except electric	0.5	0.3	1.0	4.5	—	—	1.8	1.0	2.5	5.3	0.9	1.5	0.6	2.5	7.3	15.1	
35. Electric machinery	0.1	0.3	0.7	1.6	—	—	1.3	1.5	0.8	2.6	0.2	0.4	0.1	0.7	3.2	7.1	
36. Railway vehicles	—	0.1	0.1	—	—	—	—	0.1	0.1	0.1	0.3	0.2	—	—	0.5	0.5	
37. Road vehicles and aircraft	0.2	0.2	0.1	0.3	—	—	0.3	0.2	0.1	0.7	—	—	—	0.1	0.7	1.5	
38. Ships and boats	—	—	—	0.2	—	—	—	—	—	0.1	—	—	16.3	32.8	16.5	32.9	
39. Footwear, clothing, travel goods	—	—	—	—	0.2	—	—	—	—	—	—	—	—	—	—	0.2	
40. Instruments and watches	0.1	0.2	0.5	0.6	—	—	0.2	0.2	0.6	1.2	0.1	0.2	—	0.1	1.5	2.5	
41. All other commodities	—	—	0.5	0.7	1.5	—	6.5 ^d	3.4 ^d	3.3	3.7	0.4	0.6	0.1	0.2	11.0	9.9	
TOTAL	4.9	6.8	15.1	38.1	—	—	34.8	23.5	27.6	71.2	13.3	12.0	26.7	68.8	122.4	220.4	

^a Exports of western Germany to eastern Germany are not included. ^b Excluding coal, petroleum and fertilizers. ^c Of which exports of copper to Czechoslovakia to the value of \$0.6 and \$2.1 million, to Poland of \$2.6 and \$13.9 million and to the Soviet Union of \$7.8 and \$5.5 million in 1955 and 1956 respectively. ^d Of which coal exports to Hungary to the value of \$4.6 and \$0.4 million in 1955 and 1956 respectively.

TABLE C (continued)

Exports from western European countries to eastern Europe, by commodity groups

Millions of current dollars, f.o.b.

Exporting country and commodity group	Bulgaria		Czechoslovakia		Eastern Germany		Hungary		Poland		Rumania		Soviet Union		Total eastern Europe	
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956
Greece																
6. Other cereals	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	0.1	—
7. Fruit and vegetables	0.3	0.4	1.2	0.6	0.7	1.0	0.1	0.1	—	0.1	0.7	1.8	0.8	2.5	3.8	6.5
10. Tobacco, raw	—	—	—	1.7	1.5	1.3	0.8	0.1	—	0.1	—	—	0.6	2.4	2.9	5.6
17. Cotton	—	0.3	—	0.3	—	—	1.2	—	0.1	—	0.5	—	0.4	—	—	2.8
22. Crude minerals ^a	—	—	—	0.9	—	0.3	—	—	0.2	—	—	—	—	—	—	1.4
23. Animal and vegetable oils and fats	—	—	—	—	—	—	—	—	—	—	—	—	0.2	—	0.2	—
24. Chemicals, colours, explosives	—	—	—	—	—	—	0.1	0.1	0.1	0.1	0.2	—	—	—	0.3	0.2
26. Fertilizers	—	0.1	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1
29. Iron and steel	—	0.2	—	—	—	—	—	—	—	—	—	—	—	—	—	0.2
41. All other commodities	—	0.1	0.3	0.3	—	0.1	0.1	0.3	0.2	0.2	—	0.2	0.6	1.5	1.2	2.7
TOTAL	0.3	1.1	1.6	3.8	2.2	2.7	1.0	1.8	0.3	0.8	0.9	2.5	2.2	6.8	8.5	19.5
Iceland																
4. Fish	—	—	2.2	3.2	1.2	1.7	—	0.1	0.4	0.5	—	—	9.6	12.4	13.4	17.9
16. Wool and hair	—	—	—	—	—	0.1	—	—	—	—	—	—	—	—	—	0.1
23. Animal and vegetable oils and fats	—	—	—	0.1	—	—	—	—	0.4	—	—	—	—	—	0.4	0.1
41. All other commodities	—	—	0.1	0.4	—	—	—	—	0.5	0.4	—	—	—	—	0.6	0.8
TOTAL	—	—	2.3	3.7	1.2	1.8	—	0.1	1.3	0.9	—	—	9.6	12.4	14.4	18.9
Italy																
5. Wheat	—	—	—	—	—	—	3.0	—	—	—	—	—	—	—	—	3.0
7. Fruit and vegetables	—	—	3.0	3.4	4.6	3.8	1.7	0.3	0.4	0.7	0.2	0.2	5.1	4.4	15.0	12.8
9. Colonial products	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	0.1
10. Tobacco, raw	—	—	—	—	—	—	0.2	—	—	—	—	—	0.7	1.5	0.9	1.5
12. Timber and manufactures	—	—	—	—	0.3	0.3	—	—	—	—	—	—	—	—	0.3	0.3
15. Paper and manufactures	—	0.1	—	—	—	—	—	—	—	—	—	0.1	—	—	—	0.2
17. Cotton	—	—	—	—	—	—	0.5	0.3	—	—	—	—	—	—	0.5	0.3
18. Other vegetable fibres	—	—	0.7	0.7	—	—	0.6	0.2	—	—	0.1	0.1	—	—	1.4	1.0
19. Synthetic fibres	—	0.3	—	—	—	—	1.3	1.4	0.4	0.4	0.8	0.2	4.6	7.0	7.1	9.3
20. Textile waste	—	—	—	—	—	0.1	—	—	—	—	—	—	—	—	—	0.1
22. Crude minerals ^a	—	—	0.2	0.2	—	—	—	—	—	—	—	—	—	—	0.2	0.2
24. Chemicals, colours, explosives	—	—	1.1	1.3	0.8	0.3	1.1	2.4	0.9	0.8	0.1	0.3	0.5	1.6	4.5	6.7
25. Drugs	—	—	—	—	—	—	0.1	—	—	—	—	—	—	—	0.1	—
27. Yarn and thread	0.2	0.7	0.4	1.0	0.1	0.1	3.4	2.5	0.7	0.5	3.1	4.0	1.9	1.3	9.8	10.1
28. Textile manufactures	—	—	—	—	—	—	0.3	—	—	—	0.8	0.9	—	0.3	1.1	1.2
29. Iron and steel	—	0.3	0.4	0.4	—	0.2	0.2	0.6	—	—	—	0.2	—	8.8	0.6	10.5
30. Non-ferrous metals	—	—	0.2	0.3	—	—	—	—	—	—	0.1	—	—	—	0.2	0.4
31. Metal manufactures	0.1	—	0.2	—	—	0.1	—	—	0.2	—	—	—	0.5	0.5	1.0	0.6
32. Generating machinery, except electric	—	—	—	—	—	—	0.1	0.1	1.3	0.5	—	0.3	—	—	1.7	0.6
33. Metalworking machinery	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	0.1
34. Other machinery, except electric	—	0.1	0.4	0.3	—	—	0.8	0.6	0.6	0.3	—	1.9	0.4	—	3.7	1.7
35. Electric machinery	—	—	—	0.1	—	—	—	0.1	2.1	0.4	—	—	0.2	0.1	2.3	0.7
37. Road vehicles and aircraft	—	—	—	—	—	—	0.2	0.2	0.6	0.6	—	—	—	—	0.8	0.8
39. Footwear, clothing, travel goods	—	—	—	—	—	—	—	—	—	0.1	—	—	—	—	—	0.1
41. All other commodities	0.7	0.4	0.6	0.5	1.5	0.5	1.2	0.5	2.0	2.0	0.5	2.0	0.3	0.7	6.8	6.6
TOTAL	1.0	1.9	7.2	8.4	7.3	5.4	11.7	12.2	9.2	6.4	5.6	8.0	16.0	26.6	58.0	68.9

^a Excluding coal, petroleum and fertilizers.

TABLE C (continued)

Exports from western European countries to eastern Europe, by commodity groups

Millions of current dollars, f.o.b.

Exporting country and commodity group	Bulgaria		Czecho- slovakia		Eastern Germany		Hungary		Poland		Rumania		Soviet Union		Total eastern Europe		
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	
Netherlands																	
1. Meat	—	—	0.4	0.1	—	0.2	—	0.1	—	—	—	—	—	—	0.4	0.4	
2. Butter	—	—	2.4	0.3	5.2	0.6	1.6	0.4	—	—	0.5	0.5	—	—	9.7	1.8	
3. Other dairy products, eggs and honey	—	—	—	—	0.3	0.2	—	—	—	—	—	0.1	—	—	0.3	0.3	
4. Fish	—	—	0.2	0.3	1.4	1.9	—	—	0.2	—	—	0.1	1.6	0.7	3.4	3.0	
5. Other cereals	—	—	—	0.1	0.3	—	—	—	—	—	—	—	—	—	0.3	0.1	
7. Fruit and vegetables	—	—	0.3	0.4	2.3	1.8	—	0.3	—	—	—	—	—	—	2.6	2.5	
8. Sugar and preparations	—	—	—	—	—	—	1.1	—	—	—	—	—	0.5	—	1.6	—	
9. Colonial products	—	0.1	0.5	0.3	0.5	0.8	—	0.1	—	0.2	0.4	—	—	—	1.4	1.5	
11. Oil-seeds	—	—	—	0.1	—	0.1	—	—	—	—	—	—	—	—	—	0.2	
12. Timber and manufactures	—	—	—	—	—	0.1	—	—	—	—	—	—	—	—	—	0.1	
15. Paper and manufactures	—	—	—	—	—	0.1	—	—	—	—	—	—	—	—	—	0.1	
16. Wool and hair	—	—	0.1	0.2	0.2	0.1	0.2	—	—	—	—	—	—	—	0.5	0.3	
17. Cotton	—	—	—	—	—	—	0.6	0.1	—	—	—	—	—	—	0.6	0.1	
18. Other vegetable fibres	—	—	0.9	0.6	0.7	0.4	—	—	—	—	—	—	—	—	1.6	1.0	
20. Textile waste	0.2	0.3	0.7	0.3	2.5	2.3	1.2	0.8	0.4	1.3	—	0.6	—	—	5.0	5.6	
23. Animal and vegetable oils and fats	—	0.2	—	0.9	—	2.7	0.9	0.2	0.8	0.5	—	0.1	0.6	0.4	2.3	5.0	
24. Chemicals, colours, explosives	—	—	0.6	0.7	0.9	1.2	—	0.1	0.3	0.2	—	—	—	—	1.8	2.2	
25. Drugs	—	—	0.2	0.1	0.1	0.1	0.2	0.1	—	0.1	—	0.4	0.8	0.9	0.9	1.2	
27. Yarn and thread	—	—	0.6	1.2	0.6	1.3	0.6	0.3	—	0.1	—	0.1	0.1	0.1	1.8	3.1	
28. Textile manufactures	—	—	—	—	0.2	0.3	—	—	0.2	—	—	0.1	0.2	0.5	0.6	0.9	
29. Iron and steel	—	—	—	—	0.3	0.9	—	—	—	1.5	—	—	—	—	0.3	2.4	
30. Non-ferrous metals	—	—	1.0	0.4	0.1	—	1.2	0.5	2.9	1.7	0.4	—	0.4	—	6.0 ^a	2.6 ^a	
31. Metal manufactures	—	—	—	—	—	—	—	—	0.1	0.1	—	—	—	—	0.1	0.1	
32. Generating machinery, except electric	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
34. Other machinery, except electric	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	0.2	
35. Electric machinery	—	—	—	0.2	—	—	—	0.1	0.4	0.3	—	—	—	—	0.4	0.6	
37. Road vehicles and aircraft	—	0.1	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	
38. Ships and boats	—	—	—	—	—	—	—	—	—	0.2	—	—	10.8	4.5	10.8	4.7	
39. Footwear, clothing, travel goods	—	—	—	—	—	0.1	—	—	—	0.1	—	—	—	—	—	0.2	
41. All other commodities	0.1	0.1	0.7	0.9	1.9	1.5	0.5	0.3	2.2	1.7	0.4	0.2	1.0	0.7	6.8	5.4	
TOTAL	0.3	0.8	8.6	7.1	17.5	16.7	8.1	3.4	7.5	8.1	1.7	1.8	15.6	7.9	59.3	45.8	
Norway																	
1. Meat	—	—	2.0	—	—	—	—	—	—	—	—	—	—	—	2.0	—	
2. Butter	—	—	—	0.1	3.4	1.7	6.0	4.9	—	0.1	0.4	0.6	0.3	0.7	—	0.3	0.8
4. Fish	—	—	—	—	—	—	—	—	0.1	—	—	—	5.4	7.1	15.2	14.6	
12. Timber and manufactures	—	—	—	—	—	—	—	—	0.1	—	—	—	—	—	0.1	—	
14. Wood-pulp	—	—	—	—	—	—	—	—	0.1	—	—	—	—	0.2	—	0.4	
16. Wool and hair	—	—	—	—	—	—	0.1	—	—	—	—	—	—	—	—	0.1	
19. Synthetic fibres	—	—	—	—	—	—	—	0.5	0.3	—	0.1	0.2	1.0	—	1.5	2.9	
21. Iron ore	—	—	0.3	0.3	—	—	—	—	—	1.4	1.7	—	—	—	—	1.7	2.0
22. Crude minerals ^b	—	—	0.3	0.4	1.1	1.1	—	—	0.2	0.3	—	—	—	—	—	1.6	1.8
23. Animal and vegetable oils and fats	—	—	2.3	3.0	0.5	0.9	0.1	0.1	1.8	2.1	—	—	9.2	11.2	13.9	17.3	
24. Chemicals, colours, explosives	—	—	—	0.4	—	—	—	—	—	—	0.1	—	—	—	—	0.5	
25. Drugs	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	0.1	
27. Yarn and thread	—	—	—	—	—	—	—	—	—	—	0.1	—	—	—	—	0.1	
29. Iron and steel	—	—	—	0.1	1.2	—	1.0	—	0.1	—	0.3	—	—	—	0.1	2.6	
30. Non-ferrous metals	—	—	—	0.3	—	—	—	—	—	—	—	—	—	—	1.1	0.3	
38. Ships and boats	—	—	—	—	—	—	—	—	—	—	0.8	—	—	—	—	0.8	
39. Footwear, clothing, travel goods	—	—	—	—	—	—	—	—	—	—	0.1	—	—	—	—	0.1	
41. All other commodities	0.1	0.1	0.1	0.2	0.3	0.2	0.4	0.1	0.3	0.3	—	0.1	—	0.2	1.2	1.2	
TOTAL	0.1	0.2	8.8	7.3	7.9	8.3	1.1	0.8	4.1	6.6	0.5	1.9	14.6	21.3	37.1	46.4	

^a Of which exports of copper to the value of \$2.2 and \$1.7 million, and of tin to the value of \$3.7 and \$0.3 million, in 1955 and 1956 respectively.^b Excluding coal, petroleum and fertilizers.1. M
2. B
3. O
4. F
5. W
6. V
7. T
8. S
9. A
10. T
11. I
12. C
13. G
14. P
15. V
16. W
17. A
18. C
19. T
20. I
21. I
22. G
23. A
24. D
25. I
26. I
27. I
28. I
29. I
30. I
31. I
32. I
33. I
34. I
35. I
36. I
37. I
38. I
39. I
40. I
41. I

TABLE C (continued)

Exports from western European countries to eastern Europe, by commodity groups

Millions of current dollars, f.o.b.

Exporting country and commodity group	Bulgaria		Czechoslovakia		Eastern Germany		Hungary		Poland		Rumania		Soviet Union		Total eastern Europe			
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956		
Sweden																		
1. Meat	—	—	0.4	—	1.2	1.4	—	—	—	—	—	—	—	—	—	1.6	1.4	
2. Butter	—	—	0.2	0.2	0.9	1.0	—	—	—	—	—	—	—	—	—	1.1	1.2	
3. Other dairy products, eggs and honey	—	—	—	—	0.6	0.3	—	—	—	—	—	—	—	—	—	0.6	0.3	
4. Fish	—	—	1.0	0.5	3.3	3.4	—	—	—	—	—	—	—	—	—	4.3	3.9	
5. Wheat	—	—	0.1	—	—	—	2.3	—	2.5	—	—	—	—	—	—	4.9	—	
7. Fruit and vegetables	—	—	—	—	0.2	0.1	—	—	—	—	—	—	—	—	—	0.2	0.1	
11. Oil-seeds	—	—	—	—	0.6	0.2	—	—	—	0.1	—	—	—	—	—	0.6	0.3	
12. Timber and manufactures	—	—	—	—	0.4	0.9	1.5	4.0	1.5	—	—	—	—	—	—	4.9	3.4	
14. Wood-pulp	—	0.3	—	0.3	0.3	0.3	1.3	0.8	—	0.3	—	—	1.0	2.1	2.6	4.1	—	
15. Paper and manufactures	—	—	—	—	0.5	0.5	0.7	—	—	0.2	—	—	0.9	0.4	1.4	1.8	—	
16. Wool and hair	—	—	—	—	0.2	0.1	—	—	—	—	—	—	—	—	—	0.2	0.1	
19. Synthetic fibres	—	—	—	—	—	—	—	—	—	—	—	—	—	3.0	—	3.0	—	
20. Textile waste	—	—	—	—	—	—	0.3	0.2	—	—	—	—	—	—	—	0.3	0.2	
21. Iron ore	—	—	0.4	1.1	—	0.1	0.2	0.2	6.6	8.2	—	—	—	—	—	7.2	9.6	
22. Crude minerals ^a	—	—	—	0.5	—	0.1	—	—	—	—	—	—	—	—	—	—	0.6	
23. Animal and vegetable oils and fats	—	—	—	0.6	0.5	—	0.4	0.1	—	—	—	—	0.8	—	1.7	0.7	—	
24. Chemicals, colours, explosives	—	—	0.9	1.1	0.6	0.4	0.3	0.1	0.4	0.6	—	—	0.1	—	2.2	2.3	—	
25. Drugs	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	—	0.1	
26. Fertilizers	—	—	—	—	—	—	0.1	—	—	—	—	—	—	—	—	—	0.1	
27. Yarn and thread	—	—	—	—	0.1	0.1	—	—	—	—	—	—	—	0.1	0.1	0.2	—	
28. Textile manufactures	—	0.3	—	—	0.1	0.1	—	—	—	—	—	—	—	0.2	0.1	0.6	—	
29. Iron and steel	—	—	0.5	0.8	2.2	2.9	0.1	0.1	0.8	0.5	—	0.1	0.4	0.6	4.0	5.0	—	
30. Non-ferrous metals	—	—	—	—	—	—	—	0.1	0.3	0.1	—	—	—	—	0.3	0.2	—	
31. Metal manufactures	—	—	0.1	—	—	0.2	0.1	0.2	0.2	0.1	—	—	0.1	0.4	1.2	0.9	1.8	
32. Generating machinery, except electric	—	—	—	—	0.1	—	—	—	2.6	1.1	—	—	0.4	0.1	3.0	1.3	—	
33. Metalworking machinery	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	
34. Other machinery, except electric	—	—	0.1	0.4	0.7	—	0.1	0.2	0.4	1.2	0.9	—	0.7	3.2	2.5	5.4	—	
35. Electric machinery	—	—	—	—	0.3	—	—	—	—	2.2	1.3	—	1.1	0.8	3.3	2.4	—	
36. Railway vehicles	—	—	—	—	—	—	—	—	—	0.1	0.7	—	—	—	—	0.1	0.7	
38. Ships and boats	—	—	—	—	—	—	—	—	—	—	—	—	6.7	14.5	6.7	14.5	—	
39. Footwear, clothing, travel goods	—	—	—	—	—	—	0.2	—	—	—	—	—	—	—	—	0.2	—	
40. Instruments and watches	—	—	—	—	0.3	—	—	—	—	0.1	—	—	0.1	0.2	0.1	0.6	—	
41. All other commodities	0.3	0.1	1.2	1.2	1.0	0.5	0.4	0.3	0.7	0.5	0.1	0.2	2.1	—	5.8	2.8	—	
TOTAL	0.3	0.9	5.1	8.7	13.6	13.5	9.7	4.0	17.5	14.8	0.1	0.4	14.6	26.5	60.9	68.8		
Switzerland																		
1. Meat	—	—	—	—	0.1	—	—	0.1	—	—	—	—	—	—	—	0.1	0.1	
3. Other dairy products, eggs and honey	—	—	0.1	0.3	—	—	—	—	—	—	—	—	—	—	—	0.1	0.3	
7. Fruit and vegetables	—	—	0.3	0.2	0.6	0.2	—	—	—	—	—	—	—	—	—	0.9	0.4	
12. Timber and manufactures	—	—	—	—	0.8	0.7	—	—	—	—	—	—	—	—	—	0.8	0.7	
15. Paper and manufactures	—	—	—	0.1	0.1	—	—	—	0.2	—	—	—	—	—	—	0.1	0.3	
16. Wool and hair	—	—	—	0.1	0.1	—	—	—	—	—	—	—	—	—	—	0.1	0.1	
17. Cotton	—	—	—	—	—	—	0.3	—	—	—	—	—	—	—	—	0.3	—	
18. Other vegetable fibres	—	—	—	0.1	—	—	—	—	—	—	—	—	—	—	—	0.1	—	
19. Synthetic fibres	0.1	0.4	0.8	0.8	0.1	—	0.9	0.7	0.2	—	—	0.1	—	—	2.1	2.0	—	
20. Textile waste	—	—	—	0.2	0.1	—	—	0.4	—	0.2	0.2	—	—	—	—	0.8	0.3	
22. Crude minerals ^a	—	—	—	—	0.4	—	—	—	—	—	—	—	—	—	—	—	0.4	
23. Animal and vegetable oils and fats	—	—	—	—	0.3	0.1	—	—	—	—	—	—	—	—	—	0.3	0.1	
24. Chemicals, colours, explosives	0.5	0.7	4.5	5.3	3.0	2.0	1.3	1.1	2.1	1.8	0.9	0.9	—	0.3	12.3	12.1	—	
25. Drugs	0.1	0.1	0.9	1.1	0.4	0.1	0.3	0.2	0.5	0.6	0.4	0.4	—	—	—	2.6	2.5	—
27. Yarn and thread	—	0.1	0.3	0.3	0.2	0.5	0.2	—	—	0.1	—	—	—	—	—	0.7	1.0	—
28. Textile manufactures	—	—	—	0.2	0.2	—	—	—	0.1	0.4	0.1	—	—	—	—	0.6	0.4	—
29. Iron and steel	—	—	—	—	0.2	0.2	—	—	—	—	—	—	—	—	—	0.2	0.2	—
30. Non-ferrous metals	—	—	—	0.1	0.7	0.1	—	—	0.1	0.2	0.2	—	—	—	—	0.4	1.0	—
31. Metal manufactures	—	—	—	0.1	0.3	—	0.2	—	0.1	0.2	0.1	0.1	—	—	—	0.4	0.7	—
32. Generating machinery, except electric	0.2	—	0.3	0.2	—	—	—	—	—	1.3	0.4	0.3	0.3	—	—	2.1	0.9	—
33. Metalworking machinery	—	—	—	0.3	1.2	0.1	0.5	0.1	0.2	0.6	0.7	0.2	—	2.2	0.8	3.5	3.4	—
34. Other machinery, except electric	0.1	0.2	0.6	1.9	—	0.1	0.2	0.2	0.2	1.9	0.1	—	2.0	0.2	3.2	4.4	—	—
35. Electric machinery	—	—	—	0.7	0.8	—	0.1	0.2	0.1	0.2	1.0	0.1	0.1	—	0.4	1.2	2.5	—
37. Road vehicles and aircraft	—	—	—	—	—	—	0.2	0.2	—	—	0.1	—	—	—	—	0.2	0.3	—
39. Footwear, clothing, travel goods	—	0.2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.2	—
40. Instruments and watches	0.3	—	1.3	0.8	1.3	0.7	0.8	0.2	0.9	1.1	0.4	0.3	0.1	0.1	—	5.1	3.2	—
41. All other commodities	0.3	0.3	0.4	0.5	0.8	0.6	0.5	0.1	0.1	0.1	0.1	0.3	—	0.1	—	2.2	2.0	—
TOTAL	1.6	2.0	11.4	15.3	8.0	5.9	5.4	3.6	7.1	8.4	2.6	2.4	4.3	1.9	40.4	39.5		

^a Excluding coal, petroleum and fertilizers.

TABLE C (continued)

Exports from western European countries to eastern Europe, by commodity groups

Millions of current dollars, f.o.b.

Exporting country and commodity group	Bulgaria		Czecho- slovakia		Eastern Germany		Hungary		Poland		Rumania		Soviet Union		Total eastern Europe	
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956
Turkey																
1. Meat	—	—	—	0.1	—	—	—	0.1	—	—	—	—	3.6	3.3	3.6	3.5
4. Fish	0.3	0.4	—	—	—	—	—	—	—	—	0.4	0.3	—	—	0.7	0.7
5. Wheat	—	—	—	1.0	—	—	0.5	0.5	—	—	0.5	0.7	—	—	1.0	2.2
6. Other cereals	—	—	—	—	—	—	—	0.6	—	0.9	0.3	—	—	—	0.3	1.5
7. Fruit and vegetables	0.5	0.5	3.6	3.9	1.2	4.0	1.6	0.8	0.6	0.7	0.7	0.8	2.7	9.0	13.3	14.
10. Tobacco, raw	—	—	—	4.9	8.3	8.0	11.1	1.3	1.5	10.3	6.9	—	—	0.5	24.5	28.3
11. Oil-seeds	—	—	0.8	0.2	—	—	0.2	0.2	0.5	—	—	—	—	—	1.5	0.4
12. Timber and manufactures	0.7	0.1	0.2	0.2	—	—	—	—	0.2	0.3	—	—	—	—	1.1	0.6
16. Wool and hair	—	—	—	0.1	2.8	0.2	—	—	—	—	—	—	0.8	—	3.6	—
17. Cotton	—	—	3.4	—	—	—	2.2	—	2.0	—	1.0	—	—	—	8.6	—
20. Textile waste	0.2	—	—	—	—	—	0.2	—	—	—	—	—	—	—	0.4	—
23. Animal and vegetable oils and fats	0.1	—	0.2	0.1	—	—	0.1	—	—	—	—	—	—	—	0.4	0.1
24. Chemicals, colours, explosives	0.9	0.7	—	0.1	—	—	0.1	—	0.3	0.6	0.7	0.9	—	—	2.0	2.3
35. Electric machinery	—	0.1	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1
41. All other commodities	0.2	0.2	7.5 ^a	2.9 ^a	0.2	0.2	3.2 ^a	3.0 ^a	—	—	0.6	0.1	—	0.1	11.7	6.5
TOTAL	2.9	2.0	20.6	16.9	12.2	15.5	9.4	6.7	13.9	9.4	4.2	2.7	5.2	6.6	68.4	59.8
United Kingdom																
4. Fish	—	—	0.1	0.3	0.3	0.3	—	—	0.1	0.1	—	—	0.9	0.6	1.4	1.3
7. Fruit and vegetables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1
8. Sugar and preparations	—	—	1.9	—	—	—	—	—	—	—	0.5	0.6	5.3	—	7.7	0.6
9. Colonial products	—	—	—	—	—	—	—	—	—	0.1	—	—	—	—	0.1	—
15. Paper and manufactures	—	—	—	—	—	—	—	—	0.1	0.1	—	—	0.1	—	0.2	0.1
16. Wool and hair	—	0.1	1.2	1.5	—	0.1	1.4	0.4	3.8	3.4	0.8	1.6	1.0	—	8.2	7.1
17. Cotton	—	—	—	—	—	—	0.5	—	—	—	—	—	—	—	0.5	—
19. Synthetic fibres	—	—	—	—	—	—	—	—	—	—	—	—	0.4	—	0.4	—
20. Textile waste	0.3	—	0.8	0.6	—	—	0.2	0.1	1.9	1.6	—	—	—	—	3.2	2.3
22. Crude minerals ^b	—	—	—	—	—	—	—	—	0.1	—	—	—	—	—	0.1	—
23. Animal and vegetable oils and fats	—	—	—	—	0.6	0.1	—	—	—	—	—	—	1.6	—	2.2	0.1
24. Chemicals, colours, explosives	0.7	1.8	0.6	0.8	0.1	0.1	0.3	0.8	1.4	1.2	0.2	—	—	0.5	3.3	5.2
25. Drugs	—	—	0.1	0.2	—	—	—	0.1	0.2	0.2	0.1	—	—	—	0.4	0.5
27. Yarn and thread	—	—	0.1	0.1	0.1	—	0.4	0.1	0.3	0.6	0.4	—	0.7	—	2.0	0.8
28. Textile manufactures	—	—	0.4	—	—	—	0.1	—	0.2	0.1	0.1	—	0.1	1.0	0.9	1.1
29. Iron and steel	—	—	—	—	—	—	0.1	0.1	0.1	0.3	0.1	—	—	—	0.1	0.4
30. Non-ferrous metals	—	—	—	—	1.1	0.3	0.1	0.3	1.9	2.1	2.3	9.8	—	24.1	42.1	29.5 ^c 54.6 ^c
31. Metal manufactures	—	—	—	—	—	—	—	—	—	0.1	—	—	—	—	0.1	—
32. Generating machinery, except electric	—	0.1	0.1	0.1	0.1	0.2	—	0.1	0.3	0.4	—	—	0.3	2.2	2.8	3.1
33. Metalworking machinery	—	—	—	0.1	—	—	—	—	—	—	—	1.7	2.3	1.7	2.4	—
34. Other machinery, except electric	0.1	—	0.3	1.0	0.2	0.3	0.1	0.1	1.0	1.8	0.2	0.1	16.8	10.7	18.7	14.0
35. Electric machinery	1.0	—	0.1	0.2	0.1	0.2	0.3	0.4	0.6	0.9	—	—	10.5	6.7	12.6	8.4
36. Railway vehicles	—	—	—	0.3	—	—	0.1	0.1	0.1	0.3	—	—	—	—	0.2	0.7
37. Road vehicles and aircraft	—	—	0.2	0.2	0.3	0.1	0.1	—	0.3	0.6	0.4	0.2	—	—	1.3	1.1
38. Ships and boats	—	—	—	—	—	—	—	—	—	0.1	—	—	—	5.3	—	5.4
39. Footwear, clothing, travel goods	—	—	—	—	—	—	—	—	—	—	—	0.1	—	—	0.1	—
40. Instruments and watches	—	—	—	0.1	0.2	—	0.1	—	—	0.2	0.4	—	0.1	0.2	0.4	0.9
41. All other commodities	0.1	0.2	0.8	1.3	—	0.8	0.5	1.1	4.5 ^d	5.5 ^d	0.3	0.9	0.5	2.0	6.7	12.2
TOTAL	2.2	2.2	7.9	7.2	1.9	2.8	6.0	5.6	17.9	27.5	3.1	3.4	64.1	73.7	103.1	122.4

^a Of which fodder exports to Czechoslovakia to the value of \$6.0 and \$2.3 million and to Hungary of \$1.4 and \$2.3 million in 1955 and 1956 respectively.^b Excluding coal, petroleum and fertilizers.^c Of which copper exports to the value of \$28.7 and \$54.3 million in 1955 and 1956, mainly to the Soviet Union (\$24.1 and \$42.1 million respectively) and to Poland (\$1.8 and \$9.7 million respectively).^d Of which postal packages to the value of \$3.2 and \$4.2 million in 1955 and 1956 respectively.

TABLE C (concluded)

Exports from western European countries to eastern Europe, by commodity groups

Millions of current dollars, f.o.b.

Exporting country and commodity group	Bulgaria		Czechoslovakia		Eastern Germany ^a		Hungary		Poland		Rumania		Soviet Union		Total eastern Europe	
	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956
Yugoslavia																
1. Meat	—	—	2.1	1.1	—	1.1	—	—	—	0.1	—	—	4.4	4.7	6.5	7.0
3. Other dairy products, eggs and honey	—	—	0.2	0.3	—	—	—	—	—	—	—	—	—	—	0.2	0.3
4. Fish	—	—	0.1	0.2	0.1	0.2	—	—	—	0.1	—	0.2	—	—	0.2	0.7
5. Cereals	—	—	0.3	2.4	—	—	—	—	—	0.5	—	—	—	—	0.3	2.9
7. Fruit and vegetables	—	—	1.2	0.6	0.9	1.0	—	—	0.2	0.2	—	—	3.4	3.8	5.7	5.6
9. Colonial products	—	—	—	—	—	—	—	—	—	—	—	—	0.1	0.2	0.1	0.2
10. Tobacco, raw	—	—	—	—	1.4	0.6	0.6	0.3	—	0.7	1.5	1.9	—	—	3.0	5.2
12. Timber and manufactures	—	—	0.1	0.2	0.4	0.8	1.8	3.8	0.1	0.3	—	0.3	1.0	2.2	3.4	7.6
14. Wood-pulp	0.1	0.3	—	—	—	—	—	0.3	—	0.1	—	—	—	—	0.1	0.7
15. Paper and manufactures	—	—	—	—	—	—	—	—	—	0.1	—	—	0.3	0.3	0.3	0.4
18. Other vegetable fibres	—	—	—	0.3	0.4	—	—	0.4	—	—	—	—	1.8	1.4	2.5	1.8
22. Crude minerals ^b	—	—	—	—	—	—	—	0.1	0.1	0.2	0.3	—	0.1	0.2	0.5	0.8
24. Chemicals, colours, explosives	0.2	0.3	0.4	0.4	—	—	0.2	0.2	0.6	0.1	0.8	0.2	0.6	0.9	2.2	5.1
25. Drugs	—	—	—	—	—	—	—	—	—	—	—	—	0.1	—	—	0.1
28. Textile manufactures	—	—	—	—	—	—	—	—	—	—	—	—	1.2	1.8	1.2	1.8
29. Iron and steel	0.1	0.4	—	—	—	0.4	—	—	—	—	—	0.1	0.6	—	8.5	0.2
30. Non-ferrous metals	—	—	—	0.5	—	—	—	0.2	—	0.7	—	—	—	2.0	—	3.4
31. Metal manufactures	0.1	0.1	—	—	—	—	—	—	—	—	0.2	0.3	—	1.5	0.3	1.9
34. Other machinery, except electric	—	—	—	—	—	—	—	0.2	—	—	—	—	—	—	—	0.2
35. Electric machinery	—	—	—	—	—	—	—	—	—	—	0.6	—	—	—	2.6	—
37. Road vehicles and aircraft	—	—	—	—	—	—	—	—	—	—	—	—	—	0.7	—	0.7
39. Footwear, clothing, travel goods	—	—	—	—	—	—	—	—	—	0.3	1.1	—	—	0.8	1.6	1.1
40. Instruments and watches	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	—	0.1
41. All other commodities	—	0.3	1.2	1.5	0.1	0.4	0.3	0.4	1.5	2.1	0.3	0.1	0.9	3.1	4.3	7.9
TOTAL	0.5	1.4	7.3	8.2	2.1	4.4	2.8	6.3	3.9	8.9	0.8	2.3	18.0	42.2	35.4	73.7
Total of sixteen countries listed																
1. Meat	0.1	0.1	8.8	1.6	5.6	4.8	1.1	0.3	0.2	0.2	—	—	16.2	8.0	32.0	15.0
2. Butter	—	—	5.0	1.4	11.1	4.9	2.8	0.6	—	—	0.8	1.2	—	—	19.7	8.1
3. Other dairy products, eggs and honey	—	—	1.3	1.6	6.4	4.5	—	—	—	—	0.4	0.2	0.7	0.2	8.8	6.5
4. Fish	0.3	0.5	8.0	6.8	13.5	13.7	—	0.3	1.1	1.3	0.9	0.8	17.5	20.8	41.3	44.2
5. Wheat	—	—	0.1	2.8	—	—	17.4	8.3	15.2	9.3	3.2	0.7	—	—	35.9	21.1
6. Other cereals	—	—	0.4	2.8	1.8	1.3	12.7	10.5	3.8	23.0	0.9	—	—	—	19.6	37.6
7. Fruit and vegetables	0.8	0.9	10.3	9.8	12.4	14.0	3.5	1.5	1.2	1.7	1.8	2.7	10.2	13.4	40.2	44.0
8. Sugar and preparations	—	—	1.9	—	—	—	2.1	1.2	—	—	0.5	0.6	10.9	—	15.4	1.8
9. Colonial products	—	0.1	0.5	0.4	0.5	0.8	0.1	0.1	0.1	0.2	0.4	—	0.1	0.2	1.7	1.8
10. Tobacco, raw	—	—	6.3	10.6	10.1	12.7	2.3	2.3	11.8	8.9	—	—	4.3	9.6	34.8	44.1
11. Oil-seeds	—	—	0.9	0.6	0.6	0.3	0.2	0.2	0.8	0.3	0.1	0.1	—	—	2.6	1.5
12. Timber and manufactures	0.7	0.1	2.9	5.7	11.3	14.1	15.3	17.5	0.5	1.1	—	0.3	18.9	22.9	49.6	61.7
13. Prefabricated buildings	—	—	0.4	0.8	—	—	—	—	—	—	—	—	8.4	—	8.8	0.8
14. Wood-pulp	0.6	1.3	1.8	1.8	1.5	2.1	2.7	2.7	9.0	8.8	0.4	0.3	4.2	9.7	20.2	26.7
15. Paper and manufactures	0.4	0.4	0.7	1.9	4.0	3.8	2.5	2.1	2.0	2.9	1.6	1.9	23.0	30.9	34.2	43.9
16. Wool and hair	0.1	0.6	5.1	4.2	4.2	1.7	4.9	4.5	7.9	5.3	1.7	2.0	1.9	—	25.8	18.3
17. Cotton	—	0.3	3.4	0.4	—	—	4.4	1.7	2.0	0.1	1.0	0.5	—	0.4	10.8	3.4
18. Other vegetable fibres	—	—	5.2	4.1	1.2	1.1	3.2	1.7	2.9	2.6	0.2	0.2	1.8	1.4	14.5	11.1
19. Synthetic fibres	0.4	1.5	0.8	0.9	0.1	—	3.7	4.0	3.4	3.6	4.3	3.4	7.3	15.0	20.0	28.4
20. Textile waste	0.7	0.5	2.0	1.3	2.9	2.9	2.5	1.3	3.2	3.8	—	0.6	—	—	11.3	10.4
21. Iron ore	—	—	1.3	2.3	0.1	0.3	0.2	0.2	9.5	11.9	—	—	—	—	11.1	14.7
22. Crude minerals ^b	—	0.2	1.2	3.1	1.7	1.8	0.6	2.0	1.3	1.8	—	0.1	0.2	0.3	5.0	9.3
23. Animal and vegetable oils and fats	0.1	0.3	2.7	4.8	2.0	3.8	4.8	0.6	3.0	2.7	0.2	0.7	12.4	11.6	25.2	24.5
24. Chemicals, colours, explosives	3.2	5.7	16.1	18.4	6.6	5.5	10.2	12.0	11.9	13.5	5.8	7.1	4.3	11.3	58.1	73.5
25. Drugs	0.2	0.4	1.7	2.3	0.6	0.2	0.9	0.7	1.5	2.2	1.8	2.4	0.5	1.0	7.2	9.2
26. Fertilizers	—	0.1	0.8	—	1.6	1.6	—	—	1.2	2.3	0.1	—	—	—	3.7	4.0
27. Yarn and thread	0.5	1.3	3.9	4.8	1.9	2.7	8.7	4.6	1.3	2.7	7.0	5.5	2.8	2.3	26.1	23.9
28. Textile manufactures	—	0.4	1.1	0.6	1.0	1.4	1.6	0.7	3.0	1.1	1.4	1.8	2.5	3.8	10.6	9.8
29. Iron and steel	4.9	7.7	4.9	25.4	9.4	17.4	12.7	11.4	27.8	41.2	7.7	9.4	11.5	67.9	78.9	180.4
30. Non-ferrous metals	—	0.1	6.3	8.9	0.3	0.3	4.8	5.2	11.1	31.1	1.2	—	36.0	54.5	59.7	100.1
31. Metal manufactures	1.5	1.6	0.8	4.4	1.4	1.5	1.5	1.2	3.4	4.2	1.2	1.1	7.4	14.5	17.2	28.5
32. Generating machinery, except electric	0.6	0.5	0.6	1.0	0.3	2.3	0.8	0.9	11.3	10.9	0.4	0.4	11.2	11.1	25.2	27.1
33. Metalworking machinery	0.1	0.2	0.4	2.0	0.2	0.7	0.3	0.3	0.8	1.3	0.2	0.1	3.9	4.6	5.9	9.2
34. Other machinery, except electric	1.0	0.9	2.9	10.5	1.3	1.0	3.8	3.4	10.0	16.5	2.3	1.9	46.2	44.2	67.5	78.4
35. Electric machinery	1.4	0.7	2.3	4.7	0.3	0.8	2.0	2.5	9.3	10.7	0.6	0.6	16.3	16.4	32.2	36.4
36. Railway vehicles	—	0.1	0.1	0.3	—	—	0.1	0.7	0.5	3.0	0.3	0.2	0.3	1.2	1.3	5.5
37. Road vehicles and aircraft	0.5	0.3	0.8	1.2	0.4	0.2	1.0	0.6	3.0	4.3	0.4	0.3	1.6	2.3	7.7	9.2
38. Ships and boats	—	—	—	—	—	—	—	—	0.4	1.2	—	0.3	104.6	139.3	105.2	140.8
39. Footwear, clothing, travel goods	—	0.3	0.1	0.3	0.9	0.6	—	—	1.4	1.9	0.1	—	0.8	1.6	3.3	4.7
40. Instruments and watches	0.4	0.2	2.2	2.4	1.9	1.6	1.5	0.7	3.4	4.8	0.5	0.6	1.4	1.0	11.3	11.3
41. All other commodities	2.7	3.2	19.2	17.8	11.3	8.5	17.1	11.3	21.3	21.9	3.9	6.1	7.8	12.6	83.3	81.4
TOTAL	21.2	30.5	135.4	174.7	130.4	134.9	154.0	119.8	201.5	264.3	53.3	54.1	397.1	534.0	1092.9	1312.3

Sources: *Commodity Trade Statistics, Statistical Papers, Series D, January-December 1955 and 1956*; *United Nations, New York*; *OEEC Statistical Bulletins, Series IV*; and national trade statistics.

^a Exports from western Germany to eastern Germany are not included.

^b Excluding coal, petroleum and fertilizers.

SOURCES AND METHODS

In all tables, (a) Yugoslavia is included with western Europe, and (b) trade in gold has been excluded.

Table 1. The general level of trade between eastern and western Europe

Country coverage

The data for all post-war years include the trade, partly estimated, of western European countries (other than western Germany) with eastern Germany. Since, however, eastern and western Germany were not separately identified in pre-war statistics, the volume figures for 1938 in relation to 1950 show the relationship between (a) the trade of all western European countries (including the whole of pre-war Germany) with eastern Europe (other than eastern Germany) in 1938, and (b) the trade of western European countries (including western Germany only) with eastern Europe (other than eastern Germany) in 1950.

Unit value indices

Imports into western Europe from eastern Europe

A direct computation has been made from quantities and values in trade statistics of western European countries. Owing to the changing commodity composition of east-west trade, a chain system has been used—i.e., unit values for each year are compared with those of the preceding year. Thus, year-to-year comparisons are possible, but comparisons with the base year 1950 are not entirely accurate (especially when individual price movements are very divergent).

Exports from western Europe to eastern Europe

The predominance of manufactures in western Europe's export trade makes impossible a direct computation from quantities and values similar to that made for imports. Up to 1952, unit value indices were derived from current values and values at 1950 prices computed with detailed unit value indices of exports to the whole world published by western European countries.

For 1955 and 1956, however, the relative importance of food and raw materials in the flow of trade made possible a direct comparison from year to year of prices for these kinds of commodities. For manufactured goods detailed indices of exports to the whole world have continued to be used.

Table 2. World exports by area of origin and destination

Total exports to the world of eastern European countries and the USSR and their trade with each other have been derived from information published in eastern European sources and from data contained in the *Economic Bulletin for Europe*, Vol. 6, No. 2, Vol. 7, No. 2 and Vol. 8, No. 2. These data are partly estimated.

Trade of western Europe with eastern Europe and the USSR and intra-trade of western European countries are taken from Appendix Table A. Where necessary, figures have been adjusted to an f.o.b. basis.

World totals have been taken from the *Monthly Bulletin of Statistics*, United Nations, and adjusted by inclusion of intra-trade of eastern European countries and the USSR and rough estimation of eastern Europe's trade with China. Exports of overseas countries have been obtained by difference.

Trade between eastern and western Germany is excluded everywhere.

Table 3. The share of east-west European trade in total trade of individual countries

For eastern European countries the percentage shares have been computed on the basis of the following sources : Table 64 in the SURVEY for 1954; Table 86 in the SURVEY for 1955; Appendix Table A in the *Economic Bulletin for Europe*, Vol. 7, No. 2, and the present *Bulletin*; and information taken from eastern European sources.

Trade by Commodity Groups (Tables B and C)

The following lists show, in terms of the Standard International Trade Classification, the specification of commodities included in each group.

LIST OF COMMODITIES IMPORTED INTO WESTERN EUROPEAN COUNTRIES
FROM EASTERN EUROPEAN COUNTRIES
(Table B)

<i>Commodity group</i>	<i>Groups of the S.I.T.C.</i>
1. Live animals, chiefly for food	001
2. Meat and meat preparations	011 to 013
3. Butter and margarine	023, 091
4. Eggs	025
5. Fish and fish preparations	031, 032
6. Wheat and spelt, unmilled	041
7. Barley, unmilled	043
8. Maize, unmilled	044
9. Cereals, unmilled, other than wheat, rice, barley and maize	045
10. Cereal preparations, including flour	046 to 048
11. Fruits and vegetables	051 to 055
12. Sugar	061
13. Feedings-stuffs for animals (excluding unmilled cereals)	081
14. Dairy products (excluding butter and eggs); rice; sugar preparations; coffee, tea, cocoa, spices and manufactures thereof; food preparations, n.e.s.	021, 022, 024, 026, 029, 042, 062, 071 to 075, 099
15. Tobacco and manufactures	121, 122
16. Oil-seeds, oil nuts and oil kernels; animal and vegetable oils, fats, greases and derivatives	221, 411 to 413
17. Wool and other animal hair	262
18. Vegetable fibres (excluding jute)	263, 265
19. Crude minerals (excluding coal, petroleum, fertilizer materials and precious stones); metalliferous ores and metal scrap (excluding silver and platinum ores)	272, 281 to 284
20. Coal, coke and briquettes	311
21. Crude petroleum	312
22. Petroleum products	313
23. Fur skins, undressed; furs, dressed or dressed-and-dyed; fur clothing	212, 613, 842
24. Fuelwood and charcoal; wood in the round; wood shaped or simply worked; pulp and waste paper; veneers, plywood, boards, artificial or reconstituted wood and other wood, worked, n.e.s., wood manufactures, n.e.s., paper, paperboard and manufactures thereof	241 to 243, 251, 631, 632, 641, 642
25. Fertilizers, crude and manufactured	271, 561
26. Other chemicals	511 to 552, 591, 599
27. Textile yarn, fabrics, made-up articles and related products, clothing, except fur clothing	651 to 657, 841
28. Lime, cement and bricks	661, 662
29. Glass, glassware and pottery	664 to 666
30. Silver and platinum and other metals of platinum group, unworked and partly worked	671
31. Iron and steel	681
32. Machinery other than electric; electric machinery, apparatus and appliances	711 to 721
33. Transport equipment	731 to 735
34. Instruments, photographic supplies, watches	861 to 864, 891
35. All other commodities	—

LIST OF COMMODITIES EXPORTED FROM WESTERN EUROPEAN COUNTRIES
TO EASTERN EUROPEAN COUNTRIES
(Table C)

<i>Commodity group</i>	<i>Groups of the S.I.T.C.</i>
1. Meat and meat preparations; live animals for food	001, 011 to 013
2. Butter and margarine	023, 091
3. Other dairy products, eggs and honey	021, 022, 024 to 029
4. Fish and fish preparations	031, 032
5. Wheat and spelt, unmilled	041
6. Other cereals	042, 043, 044, 045, 046, 047, 048
7. Fruits and vegetables	051 to 055
8. Sugar and preparations	061, 062
9. Colonial products	071, 072, 073, 074, 075
10. Tobacco, unmanufactured	121
11. Oil-seeds, oil nuts and oil kernels	221
12. Fuelwood; wood in the round; wood shaped or simply worked; veneers, plywood boards, artificial or reconstituted wood and other wood, worked, n.e.s., wood manufactures, n.e.s.	241 to 243, 631, 632
13. Pre-fabricated buildings and their assembled parts	811
14. Pulp and waste paper	251
15. Paper, paperboard and manufactures thereof	641, 642
16. Wool and other animal hair	262
17. Cotton	263
18. Vegetable fibres, except cotton	264, 265
19. Synthetic fibres	266
20. Waste material from textile fabrics	267
21. Iron ore	281
22. Crude minerals, excluding coal, petroleum, fertilizer materials and precious stones	272
23. Animal and vegetable oils (not essential oils), fats, greases and derivatives	411 to 413
24. Chemical elements and compounds; dyeing, tanning and colouring materials; essential oils and toilet polishing and cleaning preparations; explosives; miscellaneous chemical materials and products	511, 512, 521 to 533, 551, 552, 591, 599
25. Medicinal and pharmaceutical products	541
26. Fertilizers, crude and manufactured	271, 561
27. Textile yarn and thread	651
28. Textile fabrics and made-up articles and related products (excluding floor coverings and tapestries)	652 to 656
29. Iron and steel	681
30. Copper, nickel, lead, zinc, aluminium, tin and miscellaneous non-ferrous base metals employed in metallurgy	682, 683, 684, 685 to 689
31. Manufactures of metals, n.e.s.	699
32. Power-generating (except electric) machinery	711
33. Metalworking machinery	715
34. Agricultural machinery and implements, tractors other than steam, office machinery, mining, construction and other industrial machinery	712 to 714, 716
35. Electric machinery, apparatus and appliances	721
36. Railway vehicles	731
37. Road motor vehicles; road vehicles other than motor vehicles, aircraft	732 to 734
38. Ships and boats	735
39. Travel goods, handbags and similar articles; clothing, footwear	831, 841, 842, 851
40. Professional, scientific and controlling instruments, photographic and optical goods, watches and clocks	861 to 864
41. All other commodities	—

Corrigenda to the "Economic Bulletin for Europe", Vol. 9, No. 1

Page 22, second column, last line: For "the employment objective" read "their employment objectives".

Page 26, Table 13: Czechoslovakia: For "Agriculture, forestry and other" read "Agriculture and forestry".

Page 27, footnote 50, seventh line: For "1956" read "1965".

Page 30, Table 15: Poland, 1955, last line: For "-8" read "-18".

Page 80, Table 16: For "*Billions of foreign exchange forints*" read "*Millions of foreign exchange forints*".

Page 81, first column: The text table on the over-all deficit on visible trade in the 1957 Plan should be inserted after "nearly 3 billion forints in 1957".

Page 102, 9th line: For "SURVEY for 1956" read "SURVEY for 1955".

Page 102, 3 D e, last line of first paragraph: For "7 billion roubles" read "11 billion roubles".

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